FINANCIAL TIMES

No. 25,549 Monday September 6 1971 ** 6p

News Summary

GENERAL

Bombs, fires in Ulster attacks

...ondonderry chief fire officer ...es Harvey and four other ...emen suffered facial burns ...terday in an explosion as ...y fought a fire started by ...ters in Bogside.

...n were taken to hospital. ...ice said the explosion, in a ...t store, was caused by metal ...ms blowing up in the heat. ...ops fired CS gas and rubber ...lets to force back the rioters.

...actory blasted

...a week-end in which at least ...civilians, including several ...dren, were wounded in 16 ...b attacks, saboteurs last night ...ried out a factory in a bomb- ...at Queen's Street Police ...tion, Belfast.

...n Army officer said the bomb ...left in a car by a young man ...f "a dishy little piece in kinky ...s" in "an obvious bid to ...the sentry." But the sentry ...them they could not park ...re and they moved on 15 ...s. said they would be back ...and walked off embracing. ...n the car exploded.

...he police station was un... ...aged but the factory-owner, ...Bill Jeffrey, was wounded ...ying glass.

...ovisional 'plan'

...he Provisional IRA last night ...ed a five-point plan "to the ...ish Government and other ...rested parties" urging aboli- ...of the Stormont Parliament ..."a free election to establish ...gional Parliament for Ulster ...first step towards a new ...rnmental structure for the ...ntees."

...eanwhile in the Irish Repub- ...ecurity was tightened after ...id on a Wicklow Mountains ...television transmitter in ...h four guards were tied up ...their guns stolen.

...rty rift widens

...ere were increasing signs ...he eve of Irish Premier ...h's arrival at Chequers for ...with Mr. Heath, of a widen- ...gulf between the Govern- ...and the Labour Party on ...ter, following Mr. Harold ...on's week-end accusation ...the Government gave a ...ng appearance of abandon- ...neutrality, writes Richard ...Page 12, Back Page.

...orst U.S. crash

...crash against a mountain ...Juneau, Alaska, of an ...a Airlines Boeing 727 with ...eaths of all 111 aboard on ...day was the worst single- ...disaster in American his- ...said officials. The search ...on yesterday for the "black ...flight recorder.

...ne is champion

...ess Anne became the Euro- ...three-day event champion ...ghley yesterday. Watched ...Queen and Prince Philip ...ad a clear round on ...t, the eight-year-old geld- ...She took the Raleigh ...£250 prize and European ...onship Gold Medal, and is ...ng contender for the ...c team in Munich next ...Page 3.

...rets charge

...David James Bingham, ...appears at Portsmouth ...charged under the Official ...Act, said the Ministry of ...e last night.

...ee Britons held

...workers' team of three ...and an American were ...away by Pakistani troops ...crossing the frontier from ...East Pakistan yesterday. ...ere Ben Crow, 24, of ...Miss Christine Pratt, 32, ...ridge; Miss Joyce Kenni... ...24, of Scarborough; and ...ue, 26, of San Francisco.

...ple and places

...te rest was ordered for ...Denise Weller, six months, ...ed to her parents at ...Essex, five weeks after ...kidnapped. The family ...r a holiday.

...n Labour Party in a "very ...vote adopted Sedgefield ...avid Reed, 25, as its pros- ...candidate in place of Dr. ...ughes, sitting MP for ...Sedgefield disappears ...tituency reorganisation.

...ain of Britain won the ...Grand Prix at Monza in ...

...Cloud, Mr. Heath's ...ent aground off Essex ...t. He was not aboard.

...Courtneidge, 78, celebra- ...years on the stage with ...gne party.

...premium bond prize ...No. 3 MS 730998, in ...

BUSINESS

Kelly to see Minister on UCS

● TO-MORROW SIR JOHN EDEN, Minister for Industry, is to see in London Mr. Archibald Kelly, Clydeside industrialist, whose take-over bid for the whole of Upper Clyde Shipbuilders met with a Government rejection. The meeting—on Sir John's initiative—reflects Government keenness not to discard Mr. Kelly, whose offer for the UCS Clydebank yard is the only concrete one received. If the meeting goes well negotiations for the Clydebank yard with Mr. Robert C. Smith, UCS liquidator, may be resumed. But apart from cash the problems include contracts to be renegotiated for 14 ships not yet started and their allocation to surviving yards. Page 4

● MR. ROBERT MAXWELL last night confirmed reports that he will not stand for re-election as a director of Pergamon Press at this month's annual meeting. Mr. Maxwell, voted off the Board of Pergamon in the contest with the U.S. group, Leasco, was co-opted back to the Board last April. Back Page

● MR. JACK JONES, of the TGWU, in Blackpool last night—eve of the annual Trades Union Congress—attacked Lord George-Brown, a TGWU member, for supporting entry into the Common Market. Another main issue, the Industrial Relations Act, is also likely to lead to a rift over union registration; voting on this might be evenly balanced. To-day the Labour Party NEC, in a 13,000-word background pamphlet, declares itself "neither anti-Common Market nor, even less, anti-Europe." Its opposition is solely on the Government's terms and domestic policies, it says. Back Page

White House shuns curbs on profits

● CURB ON U.S. PROFITS now seems likely to be avoided by the Nixon Administration in favour of exhortations to companies not to raise their dividends. This view, current on Wall Street last week, has been supported by White House suggestions that the President believes a levy on excess profits would be "counter-productive"; a call by the Cost of Living Council to six companies to explain why they have raised their dividends; and telegrams from Commerce Secretary Mr. Stans to the 1,250 biggest U.S. companies asking them not to increase their payments during the first stage of the Nixon policy. Page 29

● ITALY THIS WEEK will renew its efforts to get acceptance for its currency compromise plan for the Common Market countries, the Group of Ten meeting in Paris having given no sign of U.S. concessions on main points at issue. Though the plan failed to get French support last week the Italians will try to bring Paris and Bonn closer in talks between their Treasury Minister, Sig. Ferrari-Aggradi and M. Giscard d'Estaing, French Finance Minister, to-day. Page 29

Lucas peace hope delayed

● THE LUCAS STRIKE of 360 maintenance engineers which has led to lay-offs of 13,000 other workers at nine Lucas factories, seems unlikely to end before mid-week. The outcome now hinges on the attitude of three unions, Sheet Metal Workers, Boilermakers and Woodworkers though the AUEW, to which 250 of the strikers belong, is willing to accept the management offer. Page 29

● SUPPORT FOR THE CBI call for companies to undertake not to raise prices by more than 5 per cent. by end-July next is expected to be shown by the Confederation on Wednesday. A firm commitment was sought from among the 200 biggest concerns in Britain. The CBI believes only a few of the biggest groups will not comply. Page 4

● KULIM GROUP first half profit (after depreciation) has risen to £483,000 (£335,000) and a year's total of around £1.1m. (£0.86m.) is indicated, it is stated. Page 30

Stock Conversion and Investment Trust forecasts current-year pre-tax profit at some £2.25m. (against £1.11m.) of which dealing profits would be £1m. Page 31

TUC opens to-day with growing split over registration

BY JOHN ELLIOTT, LABOUR EDITOR Blackpool, Sept. 5.

The annual Trades Union Congress opens here to-morrow for a week of attacks on Government policies with deep rifts between Left- and Right-wing delegations forestalling any hopes of the conference presenting a united front.

This is despite the fact that as far as membership is concerned the unions have had one of their best years ever, with the total number topping 10m.

But even though the vast majority of the Congress will combine to condemn roundly the Government's proposed economic policies and the Common Market, the Industrial Relations Act has led to a deep split over the issue of union registration. This has heightened over the week-end as it has become clear that voting on whether or not unions should be instructed, as opposed to only advised, not to register could well be almost evenly balanced.

Behind the scenes differences over how to deal with the Act have increased the warring tendencies of the Left, with the engineers deciding to use their 1.4m. block vote to try to oust as many moderates as possible from the General Council in elections on Tuesday. The engineers have five main targets, including Mr. Jack Peel, of the dyers and bleachers, and Mr. Cyril Plant, of the income-tax officers.

Efforts to increase Left-wing membership on the council have been growing in recent years, traditions that unions do not "gang up" against sitting members being ignored. But even though the transport workers are not using their 1.6m. vote to back the engineers on all their targets, council members outside the Left-wing circle see the move as yet another example of the transport workers and the engineers—the country's two largest unions—using their powerful block votes as a threat against those who displease them.

JACK JONES' ATTACK ON LORD GEORGE-BROWN

Transport workers' leader Mr. Jack Jones described Lord George-Brown, former Deputy Leader of the Labour Party, as an "expert in disloyalty" for his support of Common Market membership. Mr. Jones was addressing a Tribune rally.
Details, Back Page

The position of Lord Cooper, of the Right-wing General and Municipal Workers', who has made no secret of the fact that he thinks unions ought to register and who is chairman of this year's Congress, is also leading to bitterness. Many delegates would rather he were not in the chair this week, and the draughtsmen's delegation to-day considered moving that he should be removed—but decided against this course when it was pointed out that it might well lead to sympathy swinging in Lord Cooper's favour.

The likelihood of an extremely close vote on the registration issue increased over the week-end when the miners decided to swing their 279,000 votes behind the "instruct" resolution. This indicates a tough battle for Mr. Vic Feather, TUC general secretary, in the debate on Tuesday. He will have to try to persuade those uncommitted small unions, which might well control the result, that there is no need to strengthen the "advice" not to register which the TUC agreed early this year at its special Croydon congress.

On the Common Market the Congress will overwhelmingly approve on Wednesday a motion combining several resolutions which opposes entry "on the terms now known" but which does not go so far as some Left Wingers might have liked and condemn entry on any terms. It also calls for a General Election.

Economic policy

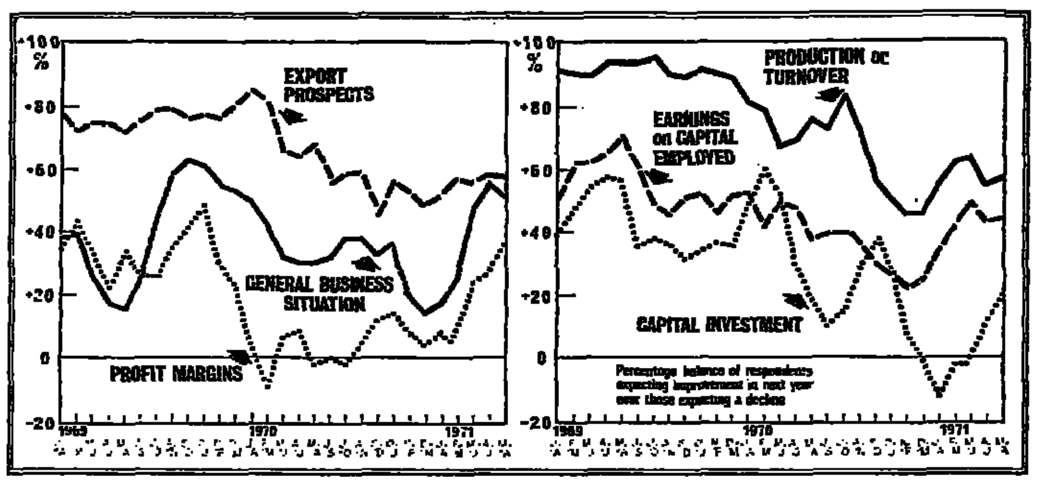
On Thursday the Government will come in for outspoken criticism for its economic policy, including its efforts at restraining wages and the rising level of unemployment.

The resolution down for debate goes some way towards backing the talks now taking place in the National Economic Development Council by accepting the need for a planned growth of incomes while at the same time calling for price restraint. But both the drafters of the resolution and the union leaders who speak in the debate will stress that they have no intention of becoming involved in the type of incomes policy operated by the last Labour Government.

TUC Membership Page 5
Editorial comment Page 12

FT Monthly Survey of Business Opinion

U.S. measures check rising optimism



UNCERTAINTIES generated by President Nixon's economic measures have checked the recovery in U.K. business confidence. But, this apart, the latest monthly Business Opinion Survey shows several encouraging features.

Cost and profit trends are expected to continue to improve. The general level of orders may have begun to revive. And there are promising signs that a recovery in investment spending may soon get under way.

On orders and capital investment it is still too early to be confident that the "turning point" has occurred. But the improved trend for costs and corporate earnings appears to be reasonably well established. Once again there has been a drop in the median forecast of total cost increases expected over the next year, and a further slight gain in optimism over wage costs.

All the companies sampled for the survey last month indicated that they were likely to follow the CBI's call for restraint on price increases.

This does not appear to have led to much concern about the possible adverse effects upon profitability, however. Over half our all-industry sample now predict improved margins as well as increased earnings on capital employed.

Across industry as a whole, there is still widespread under-utilisation of capacity. It is particularly marked in mechanical engineering, one of the three groups covered last month.

In brewing and distilling, on the other hand, all the interviewed companies claimed to be working at planned output levels. The brewers and distillers were also near-unanimously forecasting increased profits.

The third group—paper, packaging, and publishing—reported some improvement in the flow of orders but not enough to balance the current rate of deliveries. Mixed prospects were also seen for output rates and profitability.

Details Page 6

RETURN ON TOTAL CAPITAL EMPLOYED

Those expecting pre-tax profits on total capital employed in the next year to:	4 monthly moving total: May-Aug. %	Apr.-July %	Mar.-June %	Feb.-May %	August 1971: Eng'g. (non-elect.) %	Brews. and Distills. %	Paper Packaging Printing %
Improve	58	58	62	58	31	98	40
Remain the same	27	26	23	17	38	—	50
Contract	14	15	15	17	31	—	9
No comment	1	1	—...	8	—	2	1

Nixon package: victories at home, problems abroad

BY PAUL LEWIS, U.S. EDITOR WASHINGTON, Sept. 5.

AFTER chalking up a number of significant victories for the domestic side of their new economic programme, President Nixon and his advisers are now being forced to turn their attention towards its international aspects where the going is starting to look a little rougher.

This week-end brought confirmation of the Administration's most important breakthrough yet on the internal front when the veteran Labour leader, Mr. George Meany, reversed his earlier opposition to the wages and prices freeze.

He said he had always favoured such measures provided they were "equitable" and he would continue to support moderate controls after the 90-day freeze is ended.

But although Mr. Meany went on to criticise the present package as soft on business, the Administration moved to disarm him further by summoning six companies to explain projected dividend increases before the Cost of Living Council.

President Nixon lacks the power to curb dividends by law, but he has made it clear that he expects companies and shareholders to exercise the same restraint as the working man.

Labour leaders and radicals generally are likely to get additional satisfaction in the weeks ahead, since it is widely believed that Congress will alter the President's tax proposals when they are presented in the autumn to give lower income groups new concessions balancing those already announced for business.

ON PAGE 29
U.S. still unready to give ground
Nixon's dividend policy

But while the domestic side of the programme is going quite well from the White House point of view, the foreign aspect is beginning to look more complicated.

Last week the Secretary of State, Mr. William Rogers, said that while the Administration was anxious to work out acceptable solutions with all its free world partners, he feared this might "take some time." Three immediate problems now confront the Administration in this field.

1. The U.S. will find it hard to win the trade and military burden-sharing concessions it has hinted it wants from its partners as well as a parity re-alignment in return for lifting the surcharge.

Negotiations on the first two questions would take time and it is unlikely that the surplus countries will revalue fully while the surcharge is still in force. However, the longer the surcharge stays on the more difficult it will be to remove it in domestic political terms.

2. The stalemate at the Group of Ten meeting in Paris last week has shown that some European countries are hoping to get a small gold price increase out of the U.S. in return for revaluation.

This is an embarrassing subject politically for the Administration and even those officials who show private sympathy for the European case fear that the present Congress would turn any Bill on the gold price question into an orgy of protectionism.

3. Japan continues to present a special problem for the U.S., since it is responsible for most of the current account deficit. Next Thursday's annual Ministerial meeting here between the two countries has therefore assumed particular importance.

Not only are the Japanese also interested in a small gold price rise in return for parity concessions, there have also recently been reports that they may be planning to make their support for President Nixon's China policy another bargaining counter.

One conclusion which is starting to be drawn from all of this is that the present general float may prove to be a longish one. There is support for this idea within the Administration—both from economic Liberals who believe it would show that the world can live with more flexible rates and from the "hard liners" who feel that other countries should now be left with a stark choice between revaluing properly or holding more dollars.

However, in each case there is a danger that the crisis will spill over from the currency field into that of trade restrictions.

Lloyd's turns big losses into £35.6m. profit

BY JAMES McDONALD, SHIPPING CORRESPONDENT

LLOYD'S, the world's leading unlimited liability insurance organisation, achieved a profit balance for its three-year 1968 account of £35.6m. on a premium income of £668.2m., a rate of return of 5.33 per cent. This follows three bad account years which produced losses totalling £57m.

The profit on premium income compared with a loss of £1.6m. on premium income of £600m. in the 1967 account.

"Some way to go"

Commenting on the Lloyd's global accounts, published to-day, Sir Henry Mance, chairman of Lloyd's, said: "We have made reasonable progress in redressing our balance of payments, so to speak, the surplus on the 1968 account amounts to some £35½m. But we still have some way to go before we recover the £57m. losses of the three years preceding 1968."

The improvement in Lloyd's results had been achieved "at a time when inflation is still a major international problem, although I must add on the credit side there were no serious catastrophic losses in the 1968 account."

Sir Henry also noted that the "tough line" maintained by underwriters on rating and conditions had not prevented the premium flow of business from continuing and increasing in all sectors of the Lloyd's market.

Insurance against risk was a business subject to rising costs, including cost of claims, "just as much as any other commodity in an inflationary world. The lesson has now been driven home both in the realm of personal insurance, from motor cars to householders' polices, and in the realm of commercial insurance from factories to ships."

Commenting generally on the insurance industry, Sir Henry said that in the past it had tended to be cyclical in its profitability. "In a world where the demand for insurance is growing fast (Cromer estimated 10 per cent. per annum for insurance other than life) this is a good thing, always however provided that the increased capacity is operated by experienced underwriters of skill and strength."

He delivered a warning, however, that when a business has so obvious a growth potential "there is always the danger that it will attract those who, seeking quick profits, fail to provide the security for assureds on which all genuine insurers must base their activities.

"The results are first, cut rates, and then the public learning too late that there is no cheap insurance, only good insurance."

Sir Henry said that there was a "measure of optimism" for the immediate future, based upon the "pure" underwriting figures for the 1967 and 1968 closed years and for the two open years of 1969 and 1970.

"The decline in percentage settlement overall is definite and clear. In the first years of account, from 25.99 per cent. in 1967 decreasing every year to 19.21 per cent. in 1970. Similarly for the second years, from 45.89 per cent. in 1967 to 33.49 per cent. in 1969, an improvement of over 12 per cent."

Sir Henry emphasised that these were overall figures and that some sections of the Lloyd's market had better prospects than others. "Some syndicates can make losses whilst others are in profit. This is always the way in a free market."

Sir Henry said there had been a very large increase in applications for membership this year, with over 500 at present on the list. "This is certainly encouraging, since I have every confidence that an increase in capacity at Lloyd's is in the hands of responsible underwriters who will maintain our reputation for initiative and skill."


Sir Henry Mance

Commenting on the marine accounts of Lloyd's, Mr. Henry Chester, chairman of Lloyd's Underwriters' Association, said that the 1968 account—now finalised—showed a real underwriting profit but still could not be held to show a really satisfactory result. The 1968 account

Continued on Back Page
Lloyd's accounts, Page 4

ON OTHER PAGES

INDUSTRIAL PROPERTY

To-day's issue contains sixteen pages (16-28) on Industrial Property

Letters to the Editor

BRACKEN HOUSE, CANNON STREET, LONDON, EC4

Direct debits · Inventory control · Lost certificates

Sir,—I have followed the recent correspondence in your columns concerning direct debits but one point seems to have been overlooked by those writing to you.

On the direct debit standing order form originated by, shall we say, an insurance company and in all cases signed by the customer, appear these words: "I authorise you until further notice in writing to charge my account with you at the instance of the X Insurance Company Limited the premium shown below on or about the date stated."

This authority is addressed to the bank and having been signed by the customer is a clear mandate for the proposed transaction. I should have thought there was no doubt about the bank's right to debit a particular customer's account in these circumstances. Details are recorded by the bank and the form is then returned to the insurance company.

The phrase "on or about the date stated" covers the position when a premium is due on a non-business day.

A. J. Hitchcock.

Watern Oke.
Pebble Hill Road,
Betchworth, Surrey.

How to retain control

Sir,—I have read the recent correspondence on direct debiting with interest and mounting indignation. Surely the answer is a simple one. Cancel all standing orders with one's bank and forbid direct debiting of one's account. Then pay all items by cheque. A monthly or quarterly chore maybe, but at least the operation is under one's own control and surely better than having money removed from one's account in this way.

It appears from the correspondence that the new charges are inevitable anyway, but at least cheques are free since the abolition of stamp duty.

D. W. Runkel,

13, Willow Mount,
Croydon.

Merchant bank's practice

Sir,—I should like to make reference to the recent correspondence regarding banks and direct debits. As a senior employee with a firm of merchant and investment bankers in the City, I have experienced the direct debit system and wish to state from the outset that those of our clients whom we debit in this manner, have given us signed authority to honour this particular type of transaction.

When first authorised to pay a direct debit, the bank instituted a system whereby a record card showing full details of our customer's authority was established. As and when direct debits have been presented to us, we have marked the record card accordingly, checking simultaneously the correctness of the amount and whether the sum was in fact due for payment.

I believe that this system has functioned perfectly well and am not aware of any complaints from our customers that they have been debited in advance, twice or not at all.

Your readers may be interested to learn that the bank also provides its customers with a fully detailed statement of account.

Ralph E. F. Harness.

19, Green Shaw,
Brentwood, Essex.

More self sufficiency

Sir,—In recent years most of the financial journals, including the Financial Times, have commented on the most notable feature of international trade, namely the extent to which all the major industrial nations are, in effect, taking in each other's washing.

Insofar as this introduces both price and design competition and encourages social intercourse and a less insular attitude between races it must surely be welcomed. Unfortunately it may also contribute a good deal to the prevailing sense of suspicion and insecurity.

It seems to me that our present efforts are misdirected when they are spent on the mass-production of goods that merely satisfy an artificial demand created by a type of advertising based on an appeal to snobbery and status. In particular, the concept of planned obsolescence has no connection whatever with significant improvements in design but is determined by the need to perpetuate a production line.

I would have thought that increased capital expenditure on housing, transport and agriculture would do far more to raise the real standard of living than any other measures. And we might then consider what commodities need to be mass-produced and what could be produced as durable articles of beauty and utility in small workshops using skilled labour and a sufficiency of power tools to eliminate repetitive work.

A drive towards greater independence and self-sufficiency need not be confused with isolationism. International trade when based on real needs can bring real benefits, but I suggest that we could do worse than consider how much of our international trade is necessary or beneficial and how much could be discarded by producing more of our needs in our own fields and workshops.

A. S. Richardson.

72, Copthall Gardens,
Twickenham, Middx.

Inventory management

Sir,—I would like to support the first part of Mr. Henry's letter (September 2) on the very poor appreciation of the importance of inventory management. I am not entirely convinced that sufficient chief executives are fully aware of the contribution an improvement can make to the profitable performance of their organisation. I suggest that this is caused by two reasons. 1. The rare realisation that inventory holding costs run at 20-25 per cent. p.a. minimum; 2. The ability to calculate the minimum practical inventory requirements for a budgeted sales turnover.

The second of these factors, leads to the dictates to inventory managers suggested by Mr. Henry. It is a curious fact, however, that in most instances, if properly planned, targeted and monitored—with total involvement of all functions of the organisation—far greater improvements could be achieved. This is one of the most difficult communication—and motivation—problems, confronting companies to-day. Only a truly team effort, will yield the organisation required for an optimum solution.

I disagree with Mr. Henry's suggestions for achieving a satisfactory spares service, so vitally important for customer satisfaction. His solution — though practised by a number of organisations—is one of despair and raises the level of inventory and also production costs, thus decreasing profit margins. It results from failing to involve all personnel in this subject and I write with very considerable—even bitter—experience of this problem. Frequently, design can achieve fully interchangeable units, thus reducing variety and hence stocks. Spares must be produced in the largest economic volume, by integration with the main line requirements—against a carefully evaluated forecast for the period under review—thus increasing productivity and reducing costs. Inventory will be reduced for statistical reasons associated with probability theory.

I believe it is vital for everyone—engaged in manufacturing industry—to realise, that the only efforts which can be sold to a customer, are those of direct production operators. Our remaining effort, must aim at making their work as effective as possible. This self critical analysis will allow us to concentrate on the essentials—a truly vast scope—and thus reduce our current economic problems.

C. P. Morton,

142, Arkwrights,
Harlow, Essex.

Improving work in progress

Sir,—Mr. Richard Henry's letter (September 2) calls attention to one surprising factor. I would like to call attention to another.

Inventory consists of three parts, namely, bought-in material, work in progress and finished stock. The correspondence on the subject has been almost entirely related to the first and third items.

It is possible to improve work in progress by many methods, amongst them control of batch sizes, progress control, standardisation and group technology. There are numerous cases of group technology reducing work in progress to 20 per cent. of its previous level. Control of work in progress invariably leads to shorter production times. Shorter production times can, in turn, enable marketing to have a clearer picture of the situation so that the work put in hand is what is required, and so the volume of finished stocks does not need to be so high to cater for demand variations.

The capital tied up in high inventory is capable of a major reduction which would make money available for the modernisation of British industry.

B. C. Harrison,
President,
The Institution of Production Engineers.

10, Chesterfield Street, W.1.

Missing share certificates

Sir,—I, too, sympathise with shareholders who, through no fault of their own, are forced to incur the cost of providing an indemnity for a missing certificate, which may have been lost in the post or, possibly, in a brokers' office.

Some companies do not insist upon a banker's guarantee, and some banks do provide the service without charge for certain customers, but it is a pity that articles are drawn in such a way as to make bankers' guarantee imperative.

As the misuse of a lost certificate would presumably not have any effect until the transfer was presented for registration, would it not be possible to deal with certificates reported missing in the same way as lost cheques—that is to say, by putting a stop on them?

Registrars presumably keep in the register a record of certificates issued to each shareholder, and the number of the missing certificate in the name of that shareholder, can readily be identified.

All that is necessary then is to endorse that shareholder's account in the register to the effect that the missing certificate, identified by number, is of no value.

When transfers are presented, the covering certificate would be checked with the register, and if it coincided with the stopped number, the transfer would be suspended and an inquiry raised.

But perhaps in these days of computer-kept registers, a simple solution is impracticable.

S. W. Penwill.

536, Salisbury House,
London Wall, E.C.2.

Supporting indemnities

Sir,—Mr. R. R. Bedford, F.C.I.S., (September 1) chairman, Registrars' Group, has written at length to justify his argument in favour of a bank being required to support an indemnity granted by a shareholder which resulted in the payment of £2.50 by a shareholder to a bank for this service.

I would draw Mr. Bedford's attention to the specimen form of indemnity in the Manual of The Chartered Institute of Secretaries which states: "The Company may (and will if the account be of any magnitude) require a guarantee or indemnity by a Bank *or a person of standing* as follows:—

And I .... of ....
concur in the above request and guarantee the performance by the said .... of the above undertaking."

It is clear, therefore, that not only is a firm of stockbrokers in the U.K., according to the Institute's Manual, a person but a partnership of several persons of standing, all jointly and severally liable.

There is no need for Mr. Bedford to engage in question-begging and to extend the discussion to comparability with Land Certificates.

I conclude that it is high time the Council of the Institute should adhere to the Manual and instruct its members to act accordingly in the case of registered securities of British companies.

James McIntyre,

226 Renfrew Street,
Glasgow, C.3.

Management development

Sir,—Mr. J. P. Birchall's letter (August 31) blames rigid organisation structures for inhibiting management development. It is becoming fashionable to "knock" job definition, description and specification. Yet far too many organisations lack the discipline of job definition with the resulting failures in allocating responsibility and accountability.

A clearly defined organisation structure can aid the development of managers since such staff can be transferred between identifiably different jobs in the same grade, thus giving development experience without promotion.

Definition is required in order to determine firm job targets—shades of M.B.O.

Where a man does take on increased responsibility then it is only just that his remuneration be adjusted accordingly—one of the functions of job evaluation.

An executive plateau must be a reality—we all have our limits, even if they are only limits of opportunity. We may all think that we could do a good job as Prime Minister, but there is only one job going.

Success without promotion may be an attractive idea for employers to save on salary bills. For individuals it may be a method of rationalising failure. Although in my own opinion it is not failure that is shameful but failing to try.

M. A. Hodges,

12, Aston Mead,
Christchurch, Hants.

Book-keeping by banks

Sir,—In reply to the question put to me by Mr. Denis A. Blake (September 1) the short answer is: I did not suggest or intend to suggest anything in my letter (August 27); it was merely a statement of fact.

Bankers have always had the right to make a charge on unremunerative current accounts, and it is difficult to believe that they could have done this if transactions on current accounts had not been regarded as customer-transactions (that is, had been regarded as banker-transactions).

L. A. Senhenn.

5, Kingshill,
Cirencester, Glos.

Pure market system

Sir,—When everybody is agreed on something, history shows that such agreement will usually look very foolish and passé in future times. An example is the current desire for price freezes and incomes policy. One by one, intelligent statesmen, commentators (the Financial Times thankfully excluded) and economists have undergone a sort of nervous collapse and thrown overboard their economic education and experience.

Where is Say's law? Where is Jevons' marginal utility? Where is Irving Fisher? Where, even, is Friedman, and the recent statistical analyses of the Federal Reserve Bank of St. Louis? Have all the war and post war political lessons been forgotten: that, to use an awful anthropomorphism, control and restriction simply drives inflation underground? It seems so.

The truth is that at all times, whether of inflation, deflation or even in a war economy, a freely functioning market system with rapid price change is the only way to ensure 100 per cent. utility in apportioning scarce resources over competing ends. The pure market is the best system. But if the State wishes to intervene, it should do so by bidding for what it wants, or by providing money aid to groups it wishes to benefit—not by fiddling the price structure.

Government policy should at all times do everything possible to speed up price change. In inflationary conditions, this means encouraging upward price adjustment. This will deflate excess demand by putting money GNP (prices x turnover) back into equilibrium with attempted expenditure (money x velocity of circulation), and furthermore would cure recessionary tendencies in production (stagflation) by restoring business profits.

Take the present case of the U.S. where, since January, the money stock has expanded by a 12.3 per cent. per annum rate, while price inflation x gro[...] production has lagged. [...] price freeze will merely [...] the economy and hold ba[...] duction still further. He[...] floating the $ is very welc[...] a move towards market fr[...]

The above economic [...] concerning mobile prices [...] politically unpalatable, [...] then so is gravity. The [...] that patterns in opport[...] thrown up by fashion an[...] nology are always ch[...] Thus to maintain econom[...] mony the relative pri[...] everything must be in co[...] flux even if this, regr[...] goes against that elem[...] human nature which de[...] known and slowly ch[...] environment.

B. D. G. Antrobus,

The Monday Club,
51-53 Victoria Street, S.W.

Anti-dumpi[ng] duty

Sir,—As a user of ch[...] anhydride (chromic acid) [...] electro-plating processes, [...] heartedly endorse the [...]ments expressed by Mr. [...] Alexander, president of t[...] Trade League.

However, one could [...] infer from his letter (Au[...] that the Soviet Union wa[...] selling at less than their [...] production—which we a[...] reluctant to believe. A[...] the Soviet Union is ri[...]dowed with domestic so[...] chrome ore, and it is [...] reasonable to assume th[...] their vastly greater mark[...] production costs would, [...] case, be lower than thos[...] sole (to the best of ou[...]ledge) U.K. supplier.

The U.K. manufacturer [...] enjoys protection to the [...] of a 17.5 per cent. imp[...] and in our case, con[...] prudence dictates that [...] not rely upon only one [...] Furthermore, it is par[...] important for us to have [...] of chromic acid which a[...]lutely consistent in qual[...] in this respect the [...] material is excellent.

Mr. Alexander ma[...] assured that we shall n[...]tainly make our views [...] known to the Depart[...] Trade and Industry, and [...]cerely hope that this vic[...] totally unnecessary anti-[...] duty will, in fact, not [...] firmed following the full [...]gation by the D.T.I. It is [...] time we thought again.

Peter H. Tray,
Chairman, Permalite Che[...]

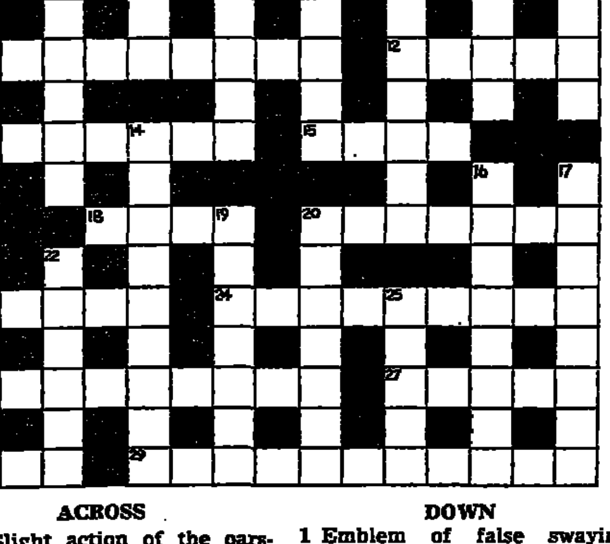
Victoria House,
Southampton Row, W.C.1.

STEEL IMPORTS DOWN AT WELSH PORTS

Imports of iron and steel at South Wales ports have been cut by more than half this year. They were 290,000 tons over the first 34 weeks, against 557,000 in the corresponding period last year. But exports have continued to rise and, at 923,000 tons, were up nearly 40 per cent.

The high level of foreign coal imports was a feature of the traffic returns by the British Transport Docks Board. They were 979,000 tons in the first 34 weeks against none in the same period last year.

F.T. CROSSWORD PUZZLE NO. 1,663



ACROSS

1, 7 Slight action of the oarsman author? (6,2,3,3)
9 Literarily would produce stationary traffic (5)
10 The men follow Castor and Pollux to propel the boat (4, 5)
11 "—— fool, and shallow, changing woman!" (Richard III) (9)
12 Visitor takes the point instead of tea for conjecture (5)
13 Hairdresser on the ship? (7)
15 The ruler comes with the return of hoar frost (4)
18 Stake brought back to the volcano (4)
20 Allied act gone to change (7)
23 The age to prepare for the Muse (5)
24 Work together with the tub maker who took food (2-7)
26 Missile propeller vehicle on hill-top (9)
27 Animal in the Greek letter (5)
28, 29 Install poor equipment and give a corresponding impression (3, 2, 1, 3, 5)

DOWN

1 Emblem of false swaying motion (8)
2 Writer bars a lie even when altered (8)
3 All right to come up but moved away quickly with the book (5)
4 Broken tile in our detached portion (7)
5 Three-sided shape without using a curtain-rod (7)
6 Placid and not difficult at the racecourse (4-5)
7 He should be able to carry his drink (6)
8 This time there is a point any way (2, 4)
14 Mixture from the vessel to rain heavily on the American island (3-6)
16 Grandpa, I have improved by showing off (8)
17 Mr. May dismissed for nought? (5, 3)
19 Greek low type comes into the melody (7)
20 The gap in the rising curve causes disease (7)
21 For policing the air? (3-3)
22 Rag is returned twice under the roof (6)
25 Sign on the loner when he has sorted himself out (5)

The solution of last Saturday's prize puzzle will be published with names of winners next Saturday.

TV/Radio

* Indicates programme in black and white

BBC 1

12.55 p.m. The Eighties. 1.30 Andy Pandy. 1.45 News. 4.40 Jackanory. 4.55 Gliding from the Cornish cliffs near Perranporth. *5.20 Pegasus: part 1. 5.44 Adventures of Parsley.
5.50 News.
6.00 London This Week.
6.20 Here's Lucy.
6.45 He Said, She Said with Lance Percival.
7.05 Z Cars.
7.30 Championship Performance: ice-skating entertainment featuring the 1971 world champions.
8.00 Panorama.
9.00 Nine O'clock News.
9.20 Peter Grimes: Opera in three acts and a prologue derived from the poem of George Crabbe with music by Benjamin Britten: Act 1.
10.15 24 Hours.
10.30 Peter Grimes: Acts 2 and 3.

All Regions as BBC-1 except at the following times:—

Wales—*1.30-1.45 p.m. Ar Lin Mam. *6.00-6.20 Wales To-day. *6.45-7.05 Heddiw. *7.30-8.00 Maes a Mor.

Scotland—*6.00-6.20 p.m. Reporting Scotland. 12.02 a.m. Scottish News Headlines.

Northern Ireland—*6.00-6.20 p.m. Scene Around Six. *12.02 a.m. Northern Ireland News Headlines.

England—*6.00-6.20 p.m. Look North (from Leeds, Manchester, Newcastle); Midlands To-day (from Birmingham); Look East (from Norwich); Points West (from Bristol); South To-day (from Southampton); Spotlight South West (from Plymouth). *12.02 a.m. Regional News Headlines.

BBC 2

11.00 a.m. Play School.
6.35-7.00 p.m. Open University: Social Sciences.
7.30 News.
8.00 The Best of High Chaparral.
8.50 Call My Bluff.
9.20 Controversy: Professor B. F. Skinner presents his views on What's Wrong with the Social Sciences?
10.15 Thirty-minute Theatre.
10.45 News on 2.
10.50 Late Night Line-up: March Against the Bomb.

LONDON

11.00 a.m. Trades Union Congress. 1.50 p.m. The Communicators. 2.15 Fencing. *2.45 People to People. *3.10 Matinee. *3.35 Tales of Edgar Wallace. 4.40 Yak.
4.55 Lost in Space.
5.50 News from ITN.
6.00 Today.
6.20 Crossroads.
6.40 Opportunity Knocks!
7.30 Coronation Street.
8.00 World in Action.
8.30 Sez Les.
9.00 The Sinners.
10.00 News at Ten.
*10.30 The Monday Film: "Santa Fe Trail" starring Errol Flynn and Olivia de Havilland.
12.20 a.m. Father D'Arcy—A Self Portrait: Father Martin D'Arcy, now 83, talks to Michael Nelson about his life and beliefs.

All ITV Regions as London except at the following times:—

ANGLIA

2.15 p.m. Trades Union Congress. *4.20 Anglia Newsroom. 4.30 The Romper Room. 4.55 Flipper. 5.15 Follyfoot. 6.00 About Anglia. 10.30 The Brian Connell Interviews: Sir John Clements. 11.00 Randall and Hopkirk (Deceased). 11.58 Reflection.

ATV MIDLANDS

2.15 p.m. TUC. 3.35 To-morrow's Horoscope. 3.40 Women To-day. 4.10 Nanny and the Professor. 4.40 Origami. 4.55 Bush Boy. 5.15 Follyfoot. 6.00 ATV To-day. 10.30 Survival. *11.00 Personally Speaking: Neil Wates.

BORDER

*4.08 p.m. Border News Headlines. *4.10 The Pursuers. 4.40 Origami. 4.55 Skippy. 5.15 Follyfoot. *6.00 Border News and Lookaround. 6.15 Survival. 10.30 The Name of the Game. 11.50 Border News Summary.

CHANNEL

4.00 p.m. Once Upon a Time. 4.10 Puffin's Birthday Greetings. 4.20 Moment of Truth. 4.50 Bush Boy. 5.15 Follyfoot. 6.00 Channel News and What's On Where. 6.15 The Flintstones. 10.32 Sing Inn. 11.03 The Avengers. 11.55 News and Weather in French.

GRAMPIAN

2.15 p.m. Trades Union Congress. 4.21 Grampian News Headlines. 4.25 Origami. 4.55 Cowboy in Africa. 6.00 Grampian News and Farming News. 6.15 This Is No Time for Romance. 10.30 Survival. 11.00 Evening Prayers.

GRANADA

2.15 p.m. Trades Union Congress. 4.10 News Headlines followed by *Peyton Place. 4.45 Once Upon a Time. 4.55 Rocket Robin Hood. 5.15 Follyfoot. 6.00 Newsday. 6.15 Branded. 10.30 Late Night Thriller: "Murder by Contract," starring Vince Edwards.

HTV

4.08 p.m. To-morrow's Horoscope. *4.13 Moment of Truth. 4.30 Women Only. 4.55 Sky Hawks. 5.19 Follyfoot. 6.01 Report West. 6.22 Report Wales. *10.30 Late Night Cinema: "The Challenge," starring Jayne Mansfield and Anthony Quayle.

SCOTTISH

10.35 a.m. Facets. 2.15 p.m. Trades Union Congress. *4.10 Locations Edinburgh. 4.15 Ponny and Sonny. *4.30 Castle Haven. 4.55 Holiday Cavalcade. 5.15 Follyfoot. *6.00 Scottish News. 6.15 The Flintstones. 10.30 McQueen. 11.00 Late Call. 11.05 Festival.

SOUTHERN

3.10 p.m. Yoga for Health. 3.35 To-morrow's Horoscope. 3.40 Women To-day. 4.10 Houseparty. *4.20 Terry Bear's Open House. 4.25 The Best of Lucy. 6.00 Day by Day. 10.30 Training the Family Dog. 10.55 Southern News Extra. 11.05 Farm Progress.

TYNE TEES

2.15 p.m. Trades Union Congress. 3.00 People to People. *3.25 All About Riding. 4.10 North East Newsroom. *4.15 Katie Stewart Cooks. 4.40 Paulus. 4.55 Skippy. 5.20 Follyfoot. 6.00 To-day At Six. 6.25 Love American Style. 10.30 Gurkha! 11.15 The Saint. 12.10 a.m. Late News Extra. 12.25 The Anxious Age.

ULSTER

2.15 p.m. Trades Union Congress. *4.30 Romper Room. *4.50 Ulster News Headlines. 4.55 The Lone Ranger. 5.20 Follyfoot. *6.00 UTV News. *6.10 F Troop. *6.35 Cartoon Time. *10.30 Monday Night with Father Liam Donnelly, C.C. St. Columb's, Derry. *10.35 Late Movie: "Life in Danger," starring Derren Nesbitt and Julie Hopkins.

WESTWARD

3.58 p.m. Westward News Headlines. 4.00 Once Upon A Time. 4.10 The Gus Honeybun Show. *4.20 Moment of Truth. 4.50 Bush Boy. 5.15 Follyfoot. *6.00 Westward Diary. *6.20 Sports Desk. *10.30 Sing Inn. 10.59 Westward Late News. 11.03 The Avengers. 11.55 Faith For Life.

YORKSHIRE

2.15 p.m. Trades Union Congress. 3.00 Houseparty. 3.15 Living Architects. 3.40 Yoga For Health. 4.10 Calendar News. *4.15 Matinee. 4.40 Once Upon A Time. 4.55 Woobinda—Animal Doctor. 5.20 Follyfoot. 6.00 Calendar. 6.15 Branded. *10.30 Edgar Wallace. 11.35 Cooking Price-wise.

RADIO 1 247m

Time checks, up-to-the-minute traffic reports and News summaries at 5.30 a.m., 6.00, 6.30, then every hour on the half-hour until 2.30 p.m., 3.00, 3.30, 4.00, 4.30, 5.30, 6.30, 7.00, 8.00, 10.00, 11.00, 12 midnight, 1.0 a.m., 2.00. Weather at 5.32 a.m., 6.02, 6.32, 7.32, 8.32, 5.32 p.m., 6.32, 7.02, 2.02 a.m.

5.30 a.m. As Radio 2. 7.00 Tony Blackburn. 9.00 Johnnie Walker. 10.00 Jimmy Young. 12.00 Radio 1 Club. 2.00 p.m. Mike Lennox. 3.02 Terry Wogan. 5.00 What's New. 6.00 Sounds of the 70s. 7.02-2.02 a.m. as Radio 2.

RADIO 2 1,500m; VHF

News summaries at 5.30 a.m., 6.00, 6.30 (VHF and 247m), 7.00, 7.30, 8.00, then every hour on the hour until 3.00 p.m., 3.30, 4.00, 4.30, 5.00, 5.30, 6.00, 6.30, 7.00, 8.00, 10.00, 11.00, 12 midnight, 1.00 a.m., 2.00. Weather at 5.32 a.m., 6.02, 6.32, 7.02, 7.32, 8.02, 9.02, 5.32 p.m., 6.32, 7.02, 2.02 a.m.

5.30 a.m. News. 5.32 Breakfast Special. 8.27 Racing Bulletin. 8.55 Pause for Thought. 9.02 Pete Murray's Open House. 11.02 Morning Story. 11.15 Waggoners' Walk NW. 11.30 Chacksfield in Limelight. 12.02 p.m. Sam Costa puts the Accent on Melody. 1.50 Sports Desk. 2.02 Woman's Hour. 3.02 As Radio 1. 4.15 Waggoners' Walk. 4.31 Sports Desk. 4.40 Charlie Chester offers music, letters and stars on disc. 6.02 Album Time. 6.45 Sports Desk. 7.03 Country Style. 8.01 Sports Desk. 8.03 Sweet 'N Swing. 8.45 Helen McArthur with A Smile and a Song. 9.15 Concert Grand. 10.2 Late Night Extra. 12.00 Midnight Newsroom. 12.05 a.m. Night Ride. 2.00 News.

RADIO 3 194m, 464m; VHF

7.00 a.m. News. 7.05 Morning Concert: Vivaldi, Albinoni attrib. Pergolesi, Viotti, Beethoven, Weber, Mozart, Hummel, gramophone records. 9.00 News. 9.05 This Weeks Composer: Britten on gramophone records. 9.45 British Songs: Purcell, Britten, Bridge. 10.15 The French Symphony Since Berlioz: Vierne, gramophone record. 11.00 Edinburgh International Festival concert, part 1: Schubert, Beethoven, Debussy. 11.50 Thoughts About Fashion: talk. 12.05 Festival concert, part 2: Schubert, Boulez, Britten. 12.45 p.m. English Songs on gramophone records. 1.00 News. 1.05 Orchestral Concert: Schubert, Arnold, Beethoven. 2.25 20th-century Choral Music: Vaughan Williams, Liszt, Walton, gramophone records. 3.15 Ravel piano recital. 4.20 Pied Piper: Tales and Music for Younger Listeners. 4.40 Recital: Clarinet—Szalowski, Schumann, Poulenc, Seiber, Alan Langford, Templeton, Brahms. 5.50 Bandstand. 6.25 Programme News and Stock Market Report. 6.30-7.30 Study On 3. 6.30 Makers of Jazz: part 1. 7.00 Politics for Peace: part 1: Cyprus 1964-71. 7.00-7.30 VHF Open University: Arts. 7.30 The Proms part 1: Haydn, Brahms. 8.40 Malta: Time v Space: talk. 8.55 The Proms, part 2: Beethoven. 9.50 The Proms part 1: Messiaen, Ligeti. 10.35 The Literature of Fidelity: talk 4. Anna Karenina and the cost of self-fulfilment. 10.55 The Prom part 2: Connolly, George Newson. 11.45 News Summary.

RADIO 4 330m; VHF

6.25 a.m. News Summary. 6.27 Farming Week. 6.45 Prayer for the Day. 6.50 Regional news, weather and preview. 7.00 To-day: magazine The News. 7.40 To-day's Papers. 7.45 Thought for the Day. 7.50 Weather, preview and news. 8.00 News and more of To-day. 8.40 To-day's Papers. 8.45 Anne of Green Gables, part 6. 9.00 The News. 9.05 Start the Week with Ken Sykora. 10.15 Daily Service. 10.30 All Kinds of Music: Music from Vienna. 11.30 Tales From Tolstoy: part 1. 12.00 You and Yours. 12.25 p.m. Desert Island Discs. 12.55 Weather, preview and news. 1.00 The World at One. 1.30 The Archers. 1.45 Listen With Mother. 2.00 Steve Race's Invitation to Music. 3.00 Afternoon Theatre. 4.30 Story Time. 5.00 PM: News Magazine. 5.50 Regional news, weather and preview. 6.00 Six O'Clock News. 6.15 At Road Expo. 6.45 The Archers. 7.00 News Desk. 7.30 The Victoria Line: You want it, we find it. 8.00 A Rhyme in Time. 8.30 All The Same Shadows: play. 9.59 Weather. 10.00 The World To-night. 10.45 Life With The TUC. George Woodcock, discussion. 11.00 A Book at Bedtime. 11.15 Late News. 11.31 Market Trends.

Racing

Getting desperate

by DARE WIGAN

NOW THAT autumn mists are beginning to gather on the training gallops, owners and trainers of moderate horses are getting a trifle desperate.

And this being the case, it is not surprising that there are plenty of runners at Windsor, Warwick and Ripon this afternoon, when, however, it looks as though the larger stables will collect most of the prizes.

At Windsor, *Knockroe*, owned by Major V. McCalmont, trained by Major Peter Nelson and ridden by Lester Piggott, is the probable winner of the Winter Hill Stakes (4.0).

Shlanta, from Bruce Hobb's powerful Newmarket stable, though she ran inexplicably badly at Pontefract a fortnight ago, has the ability to win the Loudwater Nursery Handicap (3.30).

The Newholm Handicap (3.0) may go to Lady Beaverbrook's improving three - year - old *Exclaim*. And *Harland*, owned by Lord Weir and trained by Captain Ryan Price, has virtually a walk-over in the Rays Stakes (5.0).

At Warwick, too, the big battalions look like providing most of the winners. Certainly I expect Lady Zia Wernher's filly, *Hants*, who made short work of *Tanara* and *The Doe* at Yarmouth the other day, to take the Hatton Stakes (3.45).

Exstream, who, like *Hants*, is by *Exbury*, a sire whose progeny improves with age, and who has won his last two races, is preferred to *County Palatine* in the Honiley Handicap (4.15).

Earlier in the afternoon *Abergrove*, a grey filly by *Abernant*, who was backed like a certainty when she ran for the first time, at Catterick last month, but finished only fourth behind *Heavenly Dancer*, can make amends in the Kineton Plate (2.45). And *Fountain* can recapture winning form in the Grove Park Nursery Handicap (3.15).

At Ripon, Lord Rosebery's *Erebus*, who finished a respectable fourth behind *Sun Prince* in the Coventry Stakes at Royal Ascot and fifth behind *Maximilian* in the Pilgrim Stakes at Goodwood, appears to be of better class than his opponents in Div. 1 of the Swale Maiden Plate (4.30).

This also probably applies to *Celtic Flower*, formerly trained by Noel Murless at Newmarket, and now with Bill Watts at Middleham, in the Bedale Plate (5.0).

The news that Yves St. Martin has been definitely engaged to ride *Valdrague* in the St. Leger next Saturday is clear evidence that the French are determined to win the last of this season's classics, a race in which they have not been successful since *Cambremer* scored in 1956.

Valdrague, a brown colt by *Val de Loir*, strikes me as having by far the best credentials in a sub-standard field.

WINDSOR

3.00—Exclaim
3.30—Shlanta
4.00—Knockroe
5.00—Harland

WARWICK

2.45—Abergrove
3.15—Fountain
3.45—Hants***
4.15—Exstream
4.45—Celestial Record

RIPON

2.30—Pass The Bottle
4.30—Erebus**
5.0—Celtic Flower*

British Life Reliance pen[sion] policies

TWO new unit-linked policies, designed to se[...] maximum benefit from [...] option facility now ava[...] retirement age under [...] Finance Act, have bee[...]duced by British Life Rel[...]

The contracts, which [...] for late or early retirem[...] widows' pensions, are [...] Exempt Pension Plan [...] Unit Retirement Pension [...]

Both are untied annui[...] the value of units credite[...] pect of any member bei[...] able to the trustees [...] schemes on the member[...]ment date. The Unit [...] Pension plan is availab[...] group policy or on i[...] lives, depending on the si[...] scheme. The Unit Re[...] Pension Plan is availab[...] group policy only.

COAL BOARD M[...] WIN £250 AWA[...]

Bright ideas have won £[...] for two National Coal [...] workers in Nottinghamsh[...] Derek Barsby, a me[...] engineer from Linby Colli[...] engineer Mr. Eric Me[...] invented a new way of [...] oil to pit faces.

Gardner Arts Centre, Brighton

The Silence of Saint-Just

by GARRY O'CONNOR

Bravely bobbing up and down in the wake of Büchner, Michael Hastings' new play treats of crime and punishment, and the dark side of Saint-Just's revolutionary purity. It covers the climax of his short life, from 1792 to 1794, when as a member of the Committee of Public Safety, he, together with Robespierre, raised the Terror to such a pitch that it began to devour itself, and he and Robespierre along with it.

Mr. Hastings' approach to his narrative is oblique. We start with Saint-Just packing a notorious scoundrel, Euloge Schneider, off to the guillotine. Then he corners the fleeting king, whom he compares to a dandelion. He obscurely enmeshes Danton in libidinal pleasure with his own mistress, Louise Thorin, whom he has insisted on bedding with his boots on. The prince of incorruptibles, Robespierre comes to discover the evil in Saint-Just, but refuses to be impressed. Then the Revolution turns against its own ugly brood, Robespierre and Saint-Just among them. In prison before execution, Saint-Just, not given to revealing much of himself at the best of times, becomes silent for all time.

Some individual scenes are engrossing: the best is Danton's spirited defence of his five course dinner. But public confrontations, in long speeches taken from actuality, and private defloration, in short actions supplied from Mr. Hastings' imagination, make uneasy bedfellows, and there is little union by way of form, or expectation. The sexual self-disgust is a curiously personal embellishment. It is far from succeeding in the way Brecht's early heroes of *Baal* and *Drums in the Night* succeed. They are romantic, unhealthy, cold often in the same manner, but there is a seedy passion about them that Saint-Just lacks. The impact is not helped by Peter Eyre's gentle performance, often reminiscent of David Warner's *Henry VI*. I fear Saint-Just would never have penetrated raucous assemblies with such a soft voice and nonchalant manner.

Danton, the only character for whom I felt affection, is played by Bernard Bresslaw with gargantuan glee. James Bolam makes a waspishly precise Robespierre, and Sinead Cusack and Caroline Mortimer advance the shadowy objects of Saint-Just's lust into as much definition as they are allowed. Walter Eysselinck directs with stoic certitude, but it remains a puzzling, obscure and unsatisfying evening.

Traverse, Edinburgh

The Novelist

by B. A. YOUNG

Tom Mallin takes some terrible risks in his new three-handed play, *The Novelist*. It is a study in moods rather than in events, and he has chosen to write it in a style that is literary rather than dramatic and narrative rather than conversational. To give a not unfair example, the eponymous novelist's wife, turning down the prospect of a Mediterranean holiday, says she wouldn't "uncostume my body and lay it in the sun on some foreign shore." There are parentheses, conditional clauses, and all kinds of other barriers to natural delivery, which make the performances of Robin Bailey, Barbara Jefford and John Turner all the more admirable.

Mr. Mallin can write natural dialogue when he wants to; he did it in his last play here, *Curtains*. The new style is clearly a deliberate experiment; and he is not content with this. Non-stop for the first ten minutes, the wife pleads with her husband (they have no names) to see an old chum who is waiting outside. The novelist takes no notice, just goes on writing his novel.

This speech is used to set up the situation; in a more conventional play I suppose it would have been spoken into a telephone. It is followed by a series of duologues in the course of which two milestones are reached almost without preparation. One, the novelist makes a homosexual approach to the friend—to get rid of him, he claims later. Two, the wife confesses that the friend had her on the kitchen table while they were waiting.

Each time, the effect is like a change of lighting. The composition of the picture stays the same, but everything suddenly *looks* different. Only right at the end is a fundamentally new situation introduced. The friend returns, suggests that he found the homosexual advance sympathetic, and announces his intention to settle down as a parasite on the novelist for ever.

But of course it's not such a new situation; it's exactly the same as the one Mr. Mallin used to end *Curtains* with, only then the weapon was a murder, not a simple case of consenting adults in private. This time I couldn't persuade myself that such a threat could hold out for more than five minutes. After 90 minutes' build-up, almost all in retrospect, the world ends not with a bang but a whimper.

Neither Michael Rudman's directorial expertise nor the able performance of the three players is enough to overcome the obstacles Mr. Mallin has placed in the way of achieving more than an antiseptic consulting-room atmosphere.

★

Mustapha Matura's *As Time Goes By* is an undisciplined but wildly funny piece written and mostly performed (eight out of 11) by West Indians. It tells of the series of misfortunes that befall a self-appointed Trinidadian swami among London's West Indian population. There is only the faintest vestige of a plot—you could say it was a theme and variations rather than a sonata movement—but the characters are wonderfully complete and the dialogue, both of the West Indians and of the hippies that sponge on them for a free score of pot now and then, is reproduced with fidelity and humour. I laughed fit to bust, and I can't imagine anyone who wouldn't.

This is coming to the Theatre Upstairs in a little while, and I hope to write about it at greater length then. Meanwhile, I commend Stefan Kalipha's ebullient swami and Roland Rees's observant direction.

Albert Hall

Barenboim

by GILLIAN WIDDICOMBE

May the ghost of Furtwängler forbid that we ever become bored with the eccentricities of Daniel Barenboim. And may Barenboim himself forbid that those eccentricities become familiar to the point of the predictable. Friday night's Prom was typical of the present state of Barenboim. Not only did he both conduct and play, proving the contrasted development of his two skills; but his talent was heard at its most ostentatious, combining the warts of haste with the handsome features of strong personality.

The first part of the concert, originally scheduled as the "Archduke" Trio with the indisposed Jacqueline du Pré, was reduced to violin sonatas between Barenboim and Zukerman. Hard to ignore that both have been working even harder than usual recently; and to me the Schubert A minor Sonatina, D 385, sounded thinly learnt. Though I would trust Barenboim to bluff his way through anything alone, he was less successful this time since he failed to achieve a fair relationship with Zukerman, who was in the most uneven form I have yet heard him.

Barenboim's complexion as conductor was in patchy colour during the second part of the Prom, devoted entirely to Schubert's Great C major with the BBC Symphony Orchestra. The first two movements contained some exaggerated accelerations and a sudden strangely slow tempo for thematic contrast in the Andante; but otherwise was a thorough, clearly shaped performance with no undue surprises. Yet with the opening of the Scherzo things suddenly began to go badly. Ensemble deteriorated: at the same time as Barenboim's ideas became more extreme, the BBC orchestra's execution sagged. Most obvious was that his tempo for the last movement was too fast for the brass to articulate clearly.

Curiously, this performance gave me the general feeling that Barenboim's sensitivity to contrapuntal writing is much less sharp than his spontaneous response to harmonic direction. For example, he moulds a paragraph in which the violins dominate superbly well; but when, as often towards the end of a Schubert movement, the woodwind have subtle but thematically important lines to add and interweave, Barenboim gives them little shape and his balance is often inadequate. It is a small point, but would be a pity if that kind of wart became a regular feature of his conducting. Only the last movement, its sweet theme played silky and flexibly by Zukerman, was really successful.

The Beethoven sonata, the C major Op 30 No. 2, was much more secure, and warmed suddenly in the Adagio. Admittedly a duo has poor chances of communication to a chamber containing some 5,000 people; it may well have been their nerves or my poor hearing that provoked this disappointment.

Rock musical premiere at Young Vic

The New York Shakespeare Festival Theatre is to present the world premiere of a new rock musical—*Iphigenia*—at The Young Vic from September 7 to 21. The musical is based on Euripides' *Iphigenia in Aulis* and *Iphigenia in Tauris* and is adapted and directed by Douglas Dyer with music by Peter Link. *Iphigenia* uses a rock chorus of 11 women, multi media and blazing pop music "to kick *Iphigenia* into the 20th century." With an all-American cast it will be presented nightly at 8.00 p.m. with two performances on Fridays and Saturdays at 6.00 p.m. and 9.00 p.m.

Edinburgh Film Festival—2

Beautiful movies

by ELIZABETH SUSSEX

A film festival should above all provide the chance to see films that cannot be seen elsewhere, films made outside the system or in spite of it, experiments of every kind including those the critics may regard as failures. In Britain, Edinburgh is the only place where this happens; it is in fact the only large-scale public film festival. The London Festival, which mainly caters for a club membership, differs too in showing many films selected from other festivals and already accorded some kind of accolade.

By comparison Murray Grigor, the young director at Edinburgh, is pursuing a very adventurous policy against far greater odds: a shoestring budget, inadequate projection facilities, the need to draw on a good deal of unpaid albeit enthusiastic help, grotesque censorship problems.

In the past few years the Edinburgh Retrospectives alone have not only revealed to us such unquestionable talents as the independent Ian Hugo, but regularly anticipated the names that subsequently become cults in the south: Roger Corman, Sam Fuller, Monte Hellman, whose latest offering *Two-Lane Blacktop* played to a packed house on its repeat performance last week-end. The film stars James Taylor on a kind of automobile Odyssey across America. It is made, by the look of it, in reaction to all the rules laid down by commercial interests and critical opinion alike: full of car interiors and filling station exteriors murkily shot against a vast empty landscape; an expression of nihilistic desolation that seemed to me easily achieved and visually very ugly. But if only for the strong response the film evoked in others, I was glad of the opportunity to see it.

Martin Sperr and Hans Brenner in "Mathias Kneissl," Reinhard Hauff's film about a legendary Bavarian robber executed in 1902

"A beautiful movie," Norman Mailer told Joseph Gelmis in an interview for Gelmis's book *The Director as Superstar*, "is an experience that you cannot dominate with your mind. That's why you film critics love a perfectly made movie." But actually Mailer's third film *Maidstone*, though nowhere near perfectly made, turned out to be a good deal closer to the conventional idea of a beautiful movie than his threats might have suggested. The frantic camera movements of Leacock and Pennebaker, who are among the seven cinematographers credited, are becoming an accepted technique now, and there is nothing in the film that I would call avant-garde. It centres on Mailer, who plays a film director in the running for the presidency and also for assassination, and it is permeated with Mailer's dreams of sex until the last of its 12 chapters when his friend Rip Torn takes over (or so the film alleges) and provides the only right ending to so much self-indulgence.

Probably the best feature shown in the second week was the Bavarian *Mathias Kneissl* directed by Reinhard Hauff. The hero Kneissl (Hans Brenner) is an Italian immigrant who settles with his family near Augsburg before the turn of the century and becomes a kind of Bavarian Robin Hood: "such blatant injustices in this country—and a robber has to come along for us to see it." The colour photography is magnificent, but a slow and masterful rhythm is what makes the whole thing work: shots held just a few frames longer than ordinary expectation; a camera that never moves when more can be achieved by keeping still; in short, a style that shows in itself how legends blossom out of the harsh materials of reality.

The most brilliant short films of the festival, or I should think of any festival privileged to show them, were Ian Hugo's latest works, *Aphrodisiac* and a new version of *Gondola Eye*, which he is perfectionist enough to have re-edited twice since he made it in 1963. Both films have music by David Horowitz, and constitute my dream of beautiful movies. I use the word "dream" advisedly, for Hugo's technique transfigures the images that are his starting point (in *Aphodisiac* plastic and metal sculptures by Feliciano Bejar, in *Gondola Eye* scenes of Venice) and sets up immediately a sensation of probing through limitless depths of space and time such as occurs perhaps only in our subconscious.

Ian Hugo is a Wall Street stockbroker who makes films for the love of it and achieves absolute independence by reckoning every dollar spent on this a dollar lost. He was earlier an engraver and his special interest in psychology is no doubt equally an influence, for what he does with the film medium is to satisfy quite magically some so far undefined aesthetic need. Again and again with his sure synthesis of sound, image and colour (which he uses almost as a separate dimension), he evokes the feeling of a place, a moment, which we know to be exact in every detail because sometime somehow we were already there, or even now perhaps are there.

SPORT 1: BURGHLEY HORSE TRIALS ... CRICKET ... TENNIS

Princess Anne triumphs in European championship

BY MICHAEL DONNE

BRITAIN'S mastery of Three-Day-Event riding has been amply confirmed at Burghley this year, with the British team retaining its European title by a handsome margin and Princess Anne winning the individual European championship.

As a result of this performance, it is clear that Britain can look forward to the Olympic Games next year with a high degree of confidence. Although there is still a long way to go, and the Badminton Three-Day-Event intervenes next spring, after which a final choice will be made, there seems little doubt that the British selectors will eventually have a substantial pool of experienced horses and riders from which to draw.

This remains true despite the death of Mr. Michael Tucker's big horse Farmer Giles, which had been showing a great deal of promise as a newcomer to Three-Day-Eventing, and the now advancing age of The Poacher, who has been in all the winning British teams since 1967, but who will be 16 next year.

As a result of this year's Burghley performance by British riders, it seems that there are at least eight from whom the selectors will be able to pick a top calibre team for the Olympics.

Apart from The Poacher himself, ridden by Richard Meade, this year's victorious British European championship team included the reigning individual world championship combination, Mary Gordon-Watson with Cornishman V (who, until yesterday, were also the individual European champions); Deborah West with Baccarat, who did a particularly fine cross country course; and Lt. Mark Phillips riding Great Ovation.

Princess Anne's victory in the individual European championship seems now almost certain to ensure her a place in the British Olympic team—especially if she also does will in next spring's Badminton event. The final placings in the team championship were: Britain first with 333.3 penalty points; second the Soviet Union with 755.5; third Ireland, 795.6; fourth Italy, 848.9 and fifth France, 949.2.

The seeds of the British victory were sown during the first two days of Burghley when, by concentrating on their dressage, many of the British riders—both team members and individual competitors—built up commanding positions with low penalty points.

More Sport on Page 5

At the end of the dressage phase, in fact, the British team was already in first place, with Princess Anne also out in front in the individual championship. Neither were to lose these positions throughout the following days.

This early initiative enabled the British riders to enter with confidence the critical speed and endurance phase—a gruelling test of nearly 18 miles of roads and tracks, steeplechase and cross-country jumping, during which each horse and rider was in action for more than one hour 41 minutes.

The last phase of this section nearly five miles of rugged cross-country work involving 3[illegible] formidable fences and other obstacles, was a fearsome task for tired horses and riders.

Here the vast background of cross-country experience built up by the British horses was rewarded. Not only was the British team still in first place at the end of this phase, but British horses and riders, headed by Princess Anne, held the first eight places out of a total remaining field of 32 horses, no less than 13 other horses and riders having been withdrawn eliminated or retired for various reasons.

By Saturday night the Dutch and Swiss teams were out of the championships, having suffered so badly during the cross-country phase.

Strong cross-country experience also enabled the Irish team to pull up, but they were just beaten into second place in the team championship by the Soviet Union.

However, in international Three-Day Events of this calibre, it would appear that the Irish must still present one of the greatest challenges to this country. One of the most noticeable points about the whole of the Burghley trials has been the very large number of Irish-bred horses which have been entered, especially by the Continental teams.

Among some of the lessons that the teams must take home from Burghley are that the Irish must work hard to improve their dressage, whilst all the other countries, except Britain, have a great deal of work to do before the Olympic Games in perfecting their cross-country performances.

Man-of-the-match Asif goes—and the Cup is Lancashire's

BY TREVOR BAILEY

WITH FEW OVERS remaining, Lancashire predictably beat Kent at Lord's on Saturday to retain their title after a splendid final, which contained many good things to enrich what has become the biggest and most popular cricket occasion of the year.

First, Asif Iqbal who gained the Man of the Match award, made 89 delicious runs, the second highest individual score recorded in a Final.

Secondly, there was Clive Lloyd making runs with the bat and preventing them in the field, both in his own highly and delightful individual way.

Thirdly, there was the fielding of Lancashire and Kent, which was a joy to watch, especially the throwing and the wicket-keeping.

Fourthly, there was some good bowling by Lever, Shuttleworth and Underwood, plus an impressive opening spell from Dye. All in all, the Gillette Final was a thoroughly satisfying event, full of fine cricket, and packed with excitement for the capacity crowd. Yet there could still be improvement.

The original intention of the Gillette Cup competition was to produce additional revenue for the first and second-class counties. This admirable intention still remains, but there is no reason why the sum raised from the Final should not be greatly increased, if those who handle the financial arrangements on behalf of the counties would show a slightly more realistic appreciation of current prices.

The demand for tickets this year was so great that those costing £1 were fetching £15 (in the black market), which might suggest that the initial price, considering the length of the entertainment provided, was far too low, and could at least be doubled. Although this would cause administrative difficulties, I would like to see that any tickets that were not bought by bona fide county members should cost considerably more. This should also apply to those using boxes without the same qualifications.

It would also appear that the time has come for a reappraisal of the contribution made by the present sponsor in the light of current commercial value.

If all these things were done, there seems no reason why the present revenue from the Gillette Final should not be at least trebled, which would certainly assist the game.

The match began on an exciting note with Dye removing Wood in the first over without a run on the board, which was followed by a somewhat unconvincing stand taking the score to 45 before Pilling was also lbw to Dye. This brought together the two left-handed Lloyds. D. Lloyd is one of the few home-produced products who is under 25 and looks Test material, while C. H. is a world-class entertainer from the Caribbean.

While these two were together, a large total appeared probable, and it came as something of a surprise when D. Lloyd was bowled, playing back rather than forward. Clive Lloyd was a shade fortunate to squeeze the first ball he received, a yorker, down to third man, but, in the next over, he deposited an Iqbal long hop into the crowd with an ease and grace that perhaps two current players could have equalled, but none bettered. Although not quite at his best, he is a potential match-winner in limited-over cricket because he has that disconcerting habit of scoring boundaries, even when he has not really timed the shot.

At lunch, Lancashire were 109 for three off 33 overs, and comfortably placed to reach 250 which would basically have guaranteed them victory. That things did not work out that way was due to an admirably tidy spell from Underwood, a suicidal run out, and the departure of Clive Lloyd for an attractive 66.

With the Northerners 179 for seven and rapidly running out of overs, Kent were beginning to think in terms of being left to make about 200, but they failed to take into account the jolly stand between Simmons and Hughes. This pair in the last four overs conjured up 39 valuable runs, and again showed the advantage of batting first when the "tail" can indulge in an uninhibited slog. At this stage, the Kent bowlers fell into the old trap of trying to bowl out the opposition, instead of concentrating upon the denial of runs.

Needing 225 to win, Kent could hardly have begun worse, losing their most reliable batsman, Luckhurst, in the first over for nought. This appeared to have demoralising effect as they staggered and stumbled for 68 for four with only a few handsome strokes from Denness to relieve the Kent gloom.

It was then that Asif Iqbal began to play an innings of skill, charm and character, which enabled his team to reach 200—exactly 10 more than I gave them at the beginning of their knock. If Knott had not managed to run himself out, Kent might well have won as the Lancashire bowling, apart from a lively opening spell from Lever and Shuttleworth and the usual creditable containment job from Simmons, was far from threatening.

When Asif was eventually brilliantly caught by Bond as he desperately tried to maintain the necessary scoring rate in the closing stages, it was virtually all over, but it could have been a different story if Kent had included the experienced Leary rather than Julien, who did not bowl.

U.S. Open: most seeds survive

BY JOHN BARRETT

NEW YORK, Sept. 5.

As the U.S. Open championships move into the second week, all but one of the eight men seeds survive to contest the third round and all seven of the women are at the same stage—the absentee being Virginia Wade, forced to retire from the tournament before it began with a cracked ankle.

More spectacular was the loss of John Newcombe, who started as official favourite but was eliminated by the Czech Jan Kodes in his first match.

This $160,000 tournament, the richest Open in the world, also suffered the loss of six of the leading World Championship Tennis professionals at the last moment, including the defending champion, Ken Rosewall, and the game's leading money winner, Rod Laver.

These defections were in no way part of the problems at present facing WCT and the International Lawn Tennis Federation.

Rather, they came about because of the punishing schedule of play undertaken by these players, whose main interest is the 20-tournament World Championship of Tennis. As in Paris, where all but a handful of the group withdrew, there has been considerable unrest among officials and sponsors at the loss of star names.

Nevertheless Saturday's 10,000 spectators, some 500 short of the record for the day, saw some exciting and entertaining tennis. Stanley Matthews fell 6—7, 6—7, 3—6 to the wiles and experience of the American Pancho Gonzales, who carries his 43 years remarkably lightly. Gonzales, an athlete to his fingertips and a born competitor, knows exactly how to play the sudden death tie-break system, both of which went to the deciding ninth point. Matthews will long remember Forest Hills, 1971, for in his first match against the Jamaican, Richard Russell, he played four tie-break sets, winning the first two and losing the next two after saving a match point and finally winning the fifth set 6—3.

None survived more precariously on Saturday than the new wonder girl of U.S. tennis, Chris Evert, the 16-year-old girl from Florida. Playing against another U.S. Wightman Cup player, the fourth-ranked Mary Ann Eisel, she stood 4—6, 5—6 down and her opponent held a 40-love lead on her own service in the 12th game.

As she has done before in recent weeks, she hit her way out of trouble to level the game at deuce and survived three advantages against her before taking the set on the tie-break at 7—6. The final set understandably was all Miss Evert, who lost only one game.

Another who will have spent an uneasy night was the Yugoslavian Davis Cup player Zeljko Franulovic, who also held three consecutive match points against the young Californian, Tom Leonard, but lost on the tie-break on the final set.

To-day, Mark Cox, whose form has shown improvement of late, takes on the third seed, Arthur Ashe, who beat him earlier this year at their first meeting in Teheran.

Cox's service will probably be the deciding factor to-day. If he is scoring with several aces he may raise the rest of his game to stay with the American. In Teheran, it was his service which let him down.

The humidity of a New York afternoon contrasts sharply with the warm and balmy atmosphere at Wimbledon on Saturday where young Christopher Mottram scored his most significant success when he beat the top seed and favourite for the title, Stephen Warboys 6—3; 7—5 by virtue of a greater solidity on the slow hard court.

The girls' title went to the young player of the year, Glynis Coles, the top seed, who defeated another Middlesex girl, Cherry Panton 1—6; 6—2; 6—1 to add the hard court title to the under-18 Green Shield grass court title and the national under-21 championships.

Businessman's Diary

Bigger printing and paper fair

NEXT year's DRUPA (Druck und Papier), the international printing and paper fair will be nearly twice as big as the last such event in 1967. To be at Dusseldorf from May 26-June 8, a record stand space of 104,000 sq. metres has been taken.

A total of 960 manufacturing companies from 21 countries will be taking part. The show will be divided into 27,000 sq. metres for printing machinery, 25,000 sq. metres for reproduction and 38,000 sq. metres for paper converting equipment. The remainder is to be occupied by paper, inks and accessories.

The multi-lingual catalogue is to be available 8 weeks before the opening date so that intending visitors can plan their progress through the show. Overseas visitors will receive their catalogue by airmail.

U.K. TRADE FAIRS AND EXHIBITIONS

Date	Title	Venue
Current	Intl. Handicrafts & Do-It-Yourself Ex. (cl. Sept. 11)	Olympia
Current	Brassfoundry Exhibition (cl. Sept. 24)	Building Centre, W.C.1
Current	West of England Gift Fair (cl. Sept. 9)	Victoria Rooms, Bristol
Sept. 7—10	Northern Floor Coverings Fair	Exhibition Hall, Harrogate
Sept. 7—10	*Italian Exhibition of Convenience Foods*	25, Old Burlington St., W.
Sept. 9—10	Electromation Exhibition	Royal Victoria Htl., Sheffield
Sept. 9—16	Northern Antique Dealers' Fair	Royal Baths, Harrogate
Sept. 9—18	International Laundry & Dry Cleaning Exhibition	Olympia
Sept. 13—16	Industrial Development Exhibition	Birmingham University
Sept. 13—17	Financing for Intnl. Trade and Export Services	Olympia
Sept. 13—17	International Watch and Jewellery Trade Fair	Earls Court
Sept. 13—17	Electro-Mechanical Components Exhibition	U.S. Trade Center, W.
Sept. 14—18	Surrey Ideal Home Exhibition	Civic Hall, Guildford
Sept. 15—25	Autumn Antiques Fair	Chelsea Town Hall
Sept. 17—19	*Northern International Hi-Fidelity Festival*	*Majestic Hotel, Harrogate*
Sept. 18—25	Brighton International Trade Fair	Hotel Metropole, Brighton
Sept. 21—23	Fire Fighting and Prevention Exhibition	Exbn. Centre, Harrogate
Sept. 22—24	Italian Exhibition of Men's Wear and Accessories	Italian Trade Centre, W.
Sept. 27—29	International Antiquarian Book Fair	Europa Hotel, W.
Sept. 28—29	Intl. Cabinet-Styling Accessories Exhibition	Hotel Russell, W.
Sept. 28—29	Ultrasonics for Industry Exhibition	St. Ermin's Hotel, W.
Sept. 28—30	Computer Peripheral Exhibition	Seymour Hall, W.
Sept. 28—Oct. 1	Dust Control and Air Cleaning Exhibition	Olympia
Sept. 28—Oct. 1	International Freight Show	Earls Court
Sept. 28—Oct. 1	International Filtration and Separation Exhibition	Olympia
Sept. 29—Oct. 23	Midlands Ideal Home Exhibition	Bingley Hall, Birmingham
Oct. 3—6	Shoes for Spring Exhibition	Mount Royal Hotel, W.
Oct. 3—7	*London Pram Fair*	*Bloomsbury Centre Hotel, W.*

Carpex going well

OVER 50 companies have so far confirmed that they intend to take part in next year's Carpex—the international carpet and floor coverings fair. Among these are three German firms, and a Romanian and Tunisian stand—all exhibiting for the first time.

The organisers regard this as a "gratifying response" and ascribe it to the introduction of new stand schemes designed to bring down the cost of participation. They also report that the improved layout, which is expected to produce a smoother flow of visitors round the exhibition, has aroused much favourable comment.

Attendance at this year's Carpex was 13,635, including 790 overseas visitors. In 1972 the show will be at Earls Court, London, from February 28-March 3

OVERSEAS TRADE FAIRS AND EXHIBITIONS

Date	Title	Venue
Current	International Trade Fair (cl. Sept. 11)	Reykjavic, Iceland
Current	International Trade Fair (cl. Sept. 12)	Algiers
Current	International Motor Show (cl. Sept. 11)	Sydney
Current	*Irish Intl. Food and Drink Fair (cl. Sept. 11)*	*Dublin*
Current	Household Goods and Hardware Fair (cl. Sept. 7)	Cologne
Current	International Autumn Trade Fair (cl. Sept. 12)	Vienna
Current	*Gifts and Objets d'Art Exhibition (cl. Sept. 12)*	*Brussels*
Current	Autumn Fair (cl. Sept. 12)	Leipzig
Current	Jewellery Gold and Silverware Exbn. (cl. Sept. 13)	Paris
To-day	*Peaceful Uses of Atomic Energy (cl. Sept. 16)*	Geneva
Sept. 8—22	Building Material and Prod. Equip. Exhibition	Moscow
Sept. 9—19	International Autumn Fair	Zagreb, Yugoslavia
Sept. 10—13	*Fashion Trade Fair*	Turin
Sept. 10—15	International Leather Exhibition	Paris
Sept. 11—20	International Trade Fair	Brno, Czechoslovakia
Sept. 11—26	Commercial Fair	Liege
Sept. 12—15	Scandinavian Fashion Week	Copenhagen
Sept. 12—19	Italian Furniture Fair	Milan
Sept. 13—18	International Brewery Machinery Exhibition	Munich
Sept. 14—18	Municipal Equipment Exhibition	Brussels
Sept. 14—18	International Technical Fair	Helsinki
Sept. 15—17	Canadian Computer Show	Toronto
Sept. 16—23	International Plastics Fair	Dusseldorf
Sept. 17—20	Food Industry Trade Fair	Brussels
Sept. 23—Oct. 2	International Office Equipment Exhibition	Paris
Sept. 25—Oct. 1	International Fine Food & Provisions Exhibition	Cologne
Sept. 27—Oct. 1	Irish Packaging Exhibition	Dublin

Automation at a low cost

THE national low cost automation show to be held in November will be mainly concerned with achieving simpler and more reliable production techniques by applying more sophisticated methods of process control and handling of components.

Visitors will be able to study a range of equipment and assess its relevance to their own problems. They will be able to compare a number of different ways of achieving a given result for among the systems on show will be those making use of electronic, hydraulic, pneumatic and purely mechanical methods of sorting, selecting, feeding and locating components.

BUSINESS AND MANAGEMENT CONFERENCES

Date	Title	Venue
Sept. 9—10	Mngt. Training Consultants: Supervisors in Action	Windsor Htl., W.
Sept. 13—15	Ind. Assess. and Research: Differential Test Battery	57, Marylebone High St., W.
Sept. 13—16	Cooper Bros.: Accountancy for Managers	Shelly House, E.C.
Sept. 14	James Morrell: Corporate Plans and Budgets	Hilton Hotel, W.
Sept. 15	Ind. Soc.: Involving Young Employees	White's Hotel, W.
Sept. 15—16	Mktg. Improvements: The Marketing Function	Portman Htl., W.
Sept. 16	Financial Times: Britain as a Business Partner	Hamburg
Sept. 16—18	Chartered Institute of Secretaries: World Trade	Birmingham University
Sept. 19—24	D. Frost & Assocs.: Financial, Manufacturing & Marketing by the Case Discussion Method	Wadham College, Oxford
Sept. 20—21	Assoc. Bus. Progs.: *Total Loss Control*	Strand Palace Hotel, W.C.2
Sept. 20—24	BACIE: Techniques of Instruction (Part 1)	Mansion Hotel, Eastbourne
Sept. 20—24	R & M Mngt.: Modern Warehouse Management	41, Duke Street, W.
Sept. 20—Oct. 1	*Engineers House Mngt. Center: Design Skills*	Clifton Down, Bristol
Sept. 23	Management Studies Centre: Value Added Tax	Piccadilly Hotel, W.
Sept. 27—28	Education for Business: Japanese Industry	Portman Hotel, W.
Sept. 29	Mngt. Centre for Europe and the Financial Times: Company Survival in the Science Based Industries	The Hague
Oct. 1—3	Asscn. of Cert. Acctnts.: Management Information	Excelsior, London Airport
Oct. 4—5	InComTec: Manufacturing Costs	Waldorf Hotel, W.
Oct. 4—6	P & P Travel: Plating Plastics and Metals	Royal Commonwealth Soc., W.
Oct. 4—8	P-E Consulting Group: Quality Management	P-E Centre, Egham

CBI report will back EEC entry

By Harold Bolter, Industrial Correspondent

OVERWHELMING support of U.K. industry for entry into the Common Market will be shown next week when *the Confederation of British Industry* issues its final report on the views of *its 11,500 members*.

Support among CBI members has been consistent over the years and has tended to strengthen over the last few months, it is understood. Reaction to the current initiative is favourable among all sectors of the business community, as was shown at the special Co-operative Congress held at the week-end.

Despite the obvious pressure on the Co-op movement to commit itself *to opposition to EEC* membership alongside the larger section of the Labour Party, a *resolution opposing entry* was narrowly defeated, by 5,701 to 5,693 on a card vote, at the Congress.

Instead, over 500 delegates confined themselves to a call to the Government to appoint a select committee to examine all the implications of Britain joining or staying out of the Common Market—a request which is unlikely to get a favourable response. A motion favouring entry was not voted on

The Co-operative Wholesale Society, the national executive of the Co-operative Party, and the Co-operative Union, the Co-op movement's central co-ordinating body, have already decided to support Britain's application for membership.

Although the Co-op movement seems fairly evenly divided on the Common Market issue, the *CBI membership can be expected* to come down firmly in favour of the U.K.'s application next week.

Considerable efforts have been made by CBI officials to rally support since the beginning of June, through the various committees directly involved, including the Confederation's Europe Steering Committee and through the CBI's Smaller Firms Council.

Sir John Eden to see Kelly about UCS

BY ANDREW HARGRAVE

GLASGOW, Sept. 5.

MR. ARCHIBALD KELLY, the Clydeside industrialist whose take-over bid for the whole of Upper Clyde Shipbuilders has been rejected by the Government, is to see Sir John Eden, Minister for Industry, in London on Tuesday.

The meeting, which is at Sir *John's initiative*, clearly shows the Government's anxiety not to jettison Mr. Kelly, whose offer for the Clydebank yard within UCS is the only concrete one so far received.

If the outcome of the meeting is satisfactory, negotiations for the Clydebank yard with the UCS liquidator, Mr. Robert C. Smith, suspended after Mr. Kelly's abortive meeting with Sir John ten days ago, may be resumed shortly.

Mr. Kelly has committed funds of up to £1m. for the purchase of Clydebank: but, apart from the price to be demanded being higher (Mr. Smith said as much last Tuesday), he will need more over and above that to carry out necessary improvements and provide working capital

What Mr. Kelly is believed to expect from the Government is, first, cash help already envisaged by Sir John for "any viable proposition." Mr. Kelly needs cash, even if he abandons his ambitious drydock scheme and sells the older part of the yard, some 25 acres.

Secondly, he may be expected *to claim a share of the contracts* for 14 ships not yet started and required to be renegotiated with the owners. This will place the Government in a quandary as it is anxious to retain them for the Govan-Linthouse complex on which the new company to be set up is based.

On the other hand, the Government is aware of the need for urgency in its desire to "restructure" shipbuilding on the Upper Clyde, with the retention—and therefore the alleviation of unemployment—of as much of the present set-up as possible.

Our Labour Correspondent writes from Blackpool: Leaders *of the Confederation* of Shipbuilding and Engineering Unions and UCS shop stewards meeting *here last night on the eve of the* annual Trades Union Congress went out of their way to stress that they wanted to be flexible in considering any plans which furthered their objective of keeping the four yards open.

Mr. Dan McGarvey, chairman of the Confederation's shipbuilding committee, said that Mr. John Davies, Secretary for Trade and Industry, had assured the unions when he met them last week that the Government would not be inflexible, and equally this was the union's approach. Significantly, this was echoed by Mr. Jimmy Reid, spokesman for the UCS joint shop stewards committee, who *said*: "We have never opposed restructuring, in fact we are advocates of re-*organisation*."

Mr. McGarvey disclosed that the unions were hoping to see Mr. Davies again in a week's time, and, in the meantime, the latest moves in the crisis will be considered here to-day by a special meeting of the Confederation's national executive, and will be debated by congress on Wednesday.

Later at a pre-Congress rally organised by the Left-wing Labour weekly Tribune Mr. Hugh Scanlon *president* of the Amalgamated Union of Engineering Workers called for a national campaign by the trade union movement to raise money for the UCS workers.

Walk-out may halt Concorde work to-day

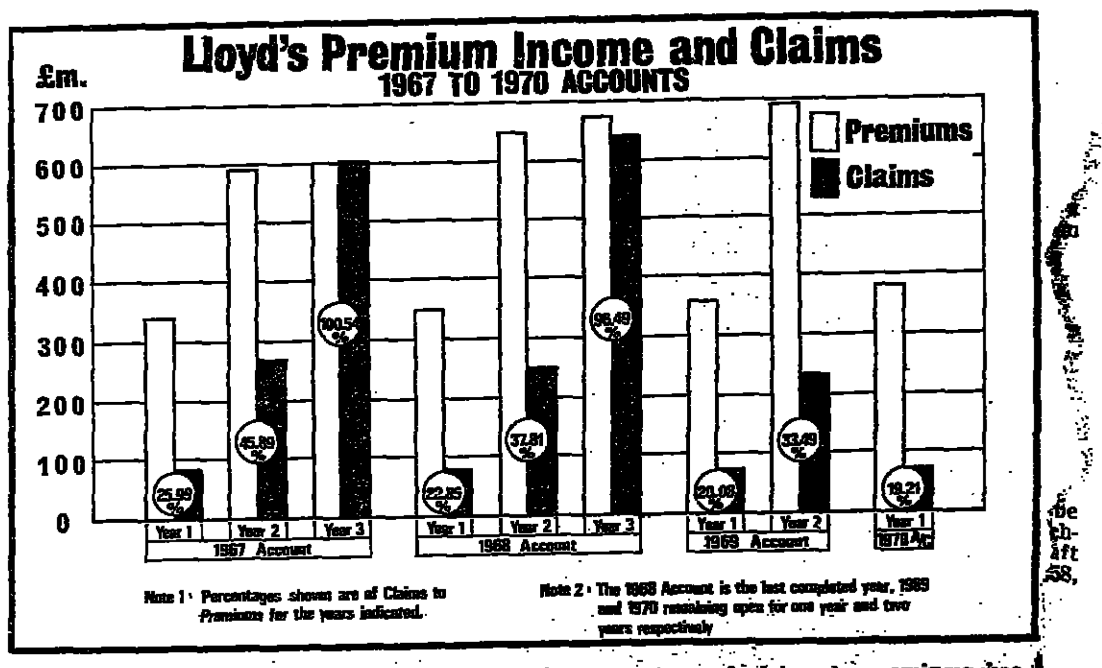
Work on Britain's Concorde could halt this afternoon if thousands of staff at the British Aircraft Corporation's plant at Filton, near Bristol, hold a walk-out against mass redundancies.

The planned stoppage, which could be attended by up to 7,000 workers, is to be held so that the union's battle plan for the next few weeks can be heard.

A week-end meeting between union officials and shop stewards passed a resolution recommending resistance to the redundancies and calling for a series of lightning *strikes and demonstrations*

The men say the management are refusing to recognise their redundancy committee and will only speak to full-time union officials. They also say there was no consultation before the 460 redundancies at Filton and the Concorde base at Fairford, Gloucestershire, were announced.

Lloyd's accounts 1967-70



Note 1: Percentages shown are of Claims to Premiums for the years indicated.

Note 2: The 1968 Account is the last completed year, 1969 and 1970 remaining open for one year and two years respectively

The accounts over the four years show how the percentage of claims to premiums has stood since 1967. Each account comprises a three-year period and the last full one, on which the profit balance of £35.6m. is recorded, is for 1968. See Page 1.

5 may fight Macclesfield by-election

Financial Times Reporter

FIVE candidates may contest the Macclesfield Parliamentary by-election on Thursday, September 30. It is expected the writ will be issued to-morrow.

The main parties' prospective candidates are Mr. Nicholas Winterton, Conservative; Mrs. Diana Jeuda, *Labour; and Mr. Michael* Hammond, Liberal.

Two independents have indicated *their intention* to stand. Mr. Tom Lynch, of Nottingham, president of the National Union of Small Shopkeepers, is opposed to Common Market entry and his main contention will be for a national Government.

Mr. Robert Goodall, a builder, of Kniveton, Derby, has contested a number of previous by-elections under the label of the English National Resurgence Movement,

Mr. Winterton was formerly strongly anti-Common Market and contested the Newcastle-under-Lyme by-election of 1968 and the *general election there last year.*

But he has now come out in favour of the Market because of *the terms of the Government's* White Paper

Mrs. Jeuda, whose husband, Mr. Basil S. Jeuda, contested the Macclesfield constituency in last year's general election, is against the Market, but Mr. Hammond is, as a Liberal, for it.

The by-election has been created because Sir Arthur Vere Harvey has been made a life peer. He is now Lord Harvey of Prestbury.

General election: Sir A. V. *Harvey (C.)*, 29,023; B. S. Jeuda (Lab.), 18,571; M. Hammond (Lib.), 8,124. C. maj. 10,452.

U.K. REVENUE

Consolidated Fund	Budget estimate 1971-72	April 1 to Aug. 31 1971	April 1 1970 to Aug. 31 1970
Revenue—	£m.	£m.	£m.
Inland Revenue	[illegible]	[illegible]	2,952.9
Customs & Excise	[illegible]	[illegible]	2,075.5
Motor Duties	[illegible]	215.5	[illegible]
Selective Employment Tax	[illegible]	760.1	242.2
Private Rev. Loans	[illegible]	[illegible]	[illegible]
Interest & Divs.	[illegible]	41.5	44.8
Other	[illegible]	63.1	60.5
Total Rev.	[illegible]	[illegible]	[illegible]
Expenditure—			
Supply Services	[illegible]	[illegible]	[illegible]
Nat. Debt Service	325	212.5	[illegible]
to N. Ireland	230	150.4	104.1
Contingencies Fund	—	—	[illegible]
War Damage	—	0.1	[illegible]
Post-war Credits	17	7.9	[illegible]
Miscellaneous	15	5.7	[illegible]
Total Expend.	16,466	6,171.9	5,461.4
Surplus transferred to Nat. Lo. Fd.	2,316	437.0	[illegible]
Deficit met from Nat. Lo. Fd.	—	—	—
NATIONAL LOANS FUND			
Receipts—			
Interest, etc.	[illegible]	[illegible]	365.0
Nat. Debt Service Balance not met from Con. Fd.	[illegible]	212.5	[illegible]
Surplus from Con. Fd.	2,316	437.0	745.4
Health Dept. ... Transfer of Surplus	—	—	—
Exch. Eq. Acct.—Sterling Cap.	—	[illegible]	[illegible]
Borrowing—			
Nat. Ins. etc. Fd.	[illegible]	—	[illegible]
Other sources	[illegible]	[illegible]	[illegible]
Opening bal. Apr. 1	—	2.1	[illegible]
Total	[illegible]	1,221.7	1,017.6
Payments—			
Nat. Debt int.	[illegible]	535.5	624.4
Nat. Debt manag. and expenses	45	13.0	16.4
Loans—			
To Nat. Ind. ...	[illegible]	—	[illegible]
Other	[illegible]	604.6	466.9
I.M.F. further subs.	—	—	—
Closing bal.	—	2.0	2.1
Total	[illegible]	1,221.7	1,017.6
Floating Debt	Aug. 31 1971	Mar. 31 1971	Aug. 31 1970
	£m.	£m.	£m.
Ways & Means Advances—			
by Bank of England	[illegible]	2.0	24.5
by Public Depts.	411.5	[illegible]	212.0
Treasury Bills	[illegible]	[illegible]	3,757.1
Total	[illegible]	5,246.3	[illegible]

* Includes £1.6m. not brought to account within the period. † Includes £1.0m. not brought to account within the period.

WEEK'S FINANCIAL DIARY

The following is a record of the principal business and financial engagements during the week. The Board meetings are mainly for the purpose of considering dividends and official indications are not available whether dividends concerned are interims or finals. The subdivision shown below is based mainly on last year's time-table.

TO-DAY

COMPANY MEETINGS—
Empress Services, Kettering, 12
Hine Parker, Tynemouth, 3.
Lynton Holdings, 1, Mason's Arms Mews, W., 12.
Mining Supplies, Doncaster, 12.
Rothschild Investment Trust, New Court, E.C., 12
Tanker Investment Trust, 100, Wood Street, E.C., 3.30.

BOARD MEETINGS—
Finals—
Aerialite.
Cons. Salak Rubber Estates
Johnson (H. P. L.).
Myson Group.
Scottish and Universal Investments.
Interims—
Braime (T. F. and J. H.).
Crosfields and Calthrop.
General Elect. and Mechanical Systems.
Lancaster Carpets
Leeds Assets
Whittingham (Wm.).

DIVIDEND & INTEREST PAYMENTS—
Allen (Edgar), 7.5p.
Associated Portland Cement deb. stk., 4½ pc.
Ault and Wiborg deb. stk., 4¼ pc.
Bambergers, 4p.
Brickhouse Dudley 2.5p.
British American Tobacco Ln. stk., 3½ pc.
Collins (G. and W.) deb. stk., 4¼ pc.
Dares Estates Ln. stk., 4 pc.
East Sussex Engineering Ln. stk., 3 pc.
English Association of American Bond and Shareholders, 7.5p.
Grange Trust, 1.75p.
Great Northern Investment Trust, 1.25p.
Heath (G. H.), 1.25p.
Henderson-Kenton, 3.3p.
Highgate Optical and Industrial, 0.6p.
Imperial Metal Industries Ln. stk., 3⅞ pc.
Lynton, 1p.
Merchants Trust Ln. stk., 2 pc.
Midland Bank, 7.5p.
Midland Yorkshire Tar Distillers Ln. stk., 3¾ pc.
Montfort (Knitting Mills), 1.5p.
Norton Industries deb. stk., 4½ pc.
Peterborough Motors deb. stk., 4½ pc.
Routledge and Kegan Paul deb. stk., 3½ pc.
Scottish and Newcastle Brews., 8.5p.
Sears Engineering deb. stk., 4½ pc.
Second British Assets Trust, 2.1p.
Sheffield Twist Drill and Steel deb. stk., 3½ pc.
Waddington (John) deb. stk., 5½ pc.
Watney Mann Ln. stks. 3½, 4 pc.
Worth (Bond) deb. stk. 3½ pc.

TO-MORROW

COMPANY MEETINGS—
Bridgend Investment Trust, 24, King William Street, E.C., 12.
Bristol Evening Post, Bristol, 12.
Fertleman (B.), Café Royal, W., 3.
Melody Mills, Leicester, 12.
Northern Developments, Abercorn Rooms, E.C., 12
Oriel Foods, Liverpool, 11.30
Shannon, New Malden, 11
Stone-Dri, Manchester, 2.30.
Turner (Ray), Grosvenor House Hotel, W., 11

BOARD MEETINGS—
Finals—
Elder Smith Goldsbrough Mort.
Longbourne.
Main Marsters.
Perkin-Elmer.
Troydale.
Interims—
Advance Electronics.
Combined English Stores.
Danish Bacon
Goldman (H.)
Halwins.
Hope (Thos.) and Sankey Hudson.
Provident Clothing.
Transport Development.

DIVIDEND & INTEREST PAYMENTS—
Allied Breweries, 1.5p.
Allied Textile 1.75p.
Barazora Tea, 2p.
Barclays Bank Ln. stk., 3½ pc.
Bridgend Investment Trust, 0.4p.
Bristol Evening Post, 3p.
British Leyland Motor Ln. stk., 3, 3½, 4 pc.
British Oxygen, 1p.
Bucknall Trust, 1p.
Doloi Tea, 5p.
Dunlop deb. stk., 3½ pc.
Forte Ln. stk., 5 pc.
Henderson (J. and W.), 3p.
Highams deb. stk., 3½ pc.
International Investment Trust Pref., 2¼ pc.
Kakuzi, 10 cts. (Kenya curr.).
Mercantile Credit Ln. stk., 3½, 4½ pc.
Mining Supplies, 5p.
Nayabara Tea, 10p.
Rothschild Investment Trust, 6p.
Sainsbury (J.) Props. deb. stk., 3½ pc.
Taylor Woodrow, 1.375p

WEDNESDAY, SEPTEMBER 8

COMPANY MEETINGS—
Bellami Knitwear, Winchester House, E.C., 12
Best and May, Great Eastern Hotel, E.C., 11.30
British Dredging, Cardiff, 12.
Ceylon Tea Plantations, 37, Queen Street, E.C., 12
Coated Metals, Cardiff, 12.
Deundi Tea, 15, St. Helen's Place, E.C., 12.
Downing (G. H.), Stoke-on-Trent, 12.
*First National Finance Corporation, Great Eastern Hotel, E.C., 11.45.
Hales Properties, Birmingham, 12.
Latham (James), Leeside Wharf, E., 2.30.
Lesbrook, Birmingham, 12.30.
United Dominions Trust, 51, Eastcheap, E.C., 12.
* Extra-ordinary meeting.

BOARD MEETINGS—
Finals—
Associated Dairies.
Fox's Biscuits.
Interims—
Aust. Agricultural.
British Enkalon.
Britton (G. B.)
Cons. *Diamond Mines of S.W. Africa.*
De Beers Cons. Mines
Hill and Smith.
Steetly.
Tube Investments.
Waller and Hartley

DIVIDEND & INTEREST PAYMENTS—
Airfix Inds. Ord. and N.V., 1.8p.
Atherstone 8½ pc Bds. Red. 8/9/71, £4.3252.
Bolton 8½ pc Bds. Red. 8/9/71, £4.3252.
Bristol Waterworks Cons. Ord. stk. (7 pc Max.), £3.50. Ord. stk. (5 pc Max.) £2.50.
British Dredging, 1.625p.
Cambridgeshire and Isle of Ely 8⅝ pc Bds. Red. 8/9/71, £4.3252.
Camden 8½ pc Bds. Red. 8/9/71, £4.3252.
Cheshunt 8½ pc Bds. Red. 8/9/71, £4.3252. 8¾ pc Bds. 1971 4⅜ pc.
Enfield 8½ pc Bds. Red. 8/9/71, £4.3252.
Hoover Ord. and "A," 3.75p.
Lesbrook, 0.5p.
North Riding of Yorkshire 8½ pc Bds. Red. 8/9/71, £4.3252.
Northern Developments, 7.5p.
Portsmouth 8½ pc Bds. Red. 8/9/71, £4.3252.
Sodbury 8½ pc Bds. Red. 8/9/71, £4.3252.
Stone-Dri, 2.5p.
Surrey 8½ pc Bds. Red. 8/9/71, £4.3252. 1971 £4.3252.
Taylor and Hartley, 0.9p.
Turner (Ray) Holdings, 2p.

THURSDAY, SEPTEMBER 9

COMPANY MEETINGS—
Allnatt London Props., Winchester House, E.C., 12.
Anderton-Forco Inds., Hyde Park Hotel, S.W., 12.
Boardman Marden, Manchester, 12.
Brickhouse Dudley, Birmingham, 12.
Cattle's (Hldgs.), Hull, 2.45.
Collett Dickenson Pearce, Winchester House, E.C., 10.30.
Danks of Netherton, Dudley, 3.
Dwa Plantations, Winchester House, E.C., 11.30.
Fruit and Prod. Exchange of Grt. Britain, Waldorf Hotel, W.C., 11.
Metal Products (Willenhall), Wolverhampton, 11.
Meyer (Montague L.), Brettenham House, W.C., 12.
Midlands Ideal Homes, Nottingham, 12.
Newall Machine Tool, Peterborough, 12.
Preedy (Alfred), Dudley, 5.45.
St. George's Laundry (Worcester), Worcester, 12.
Wellman Eng., 25, Wilton Road, S.W., 12.

BOARD MEETINGS—
Finals—
Bank and Commercial
Customagic
Joncraig
Kinta Kellas Rubber
Kinta Kellas Tin
Prestwich Parker
Tor Investment
Wiggins (C. S.)
Interims—
British Petroleum
Cuthbert (R. and G.)
Gibbons Dudley
Mackay (Hugh)
Minster Assets
North Eastern Timber
Pearson Longman
Pennine Motor
Reeves (F. J.)
Wolstenholme Bronze

DIVIDEND & INTEREST PAYMENTS—
Bellami Knitwear, 1.75p.
Cattle's (Holdings), 0.875p.
Coated Metals Holdings, 50 pc.
Deundi Tea, 4p.
Dew (G.) 1.5p
Downing (G. H.), 6p.
Latham (James), 8p.
M.K. Refrigeration, 3p.
Metal Products (Willenhall), 1p.
Midland Ideal Homes, 1.5p.
New Central Witwatersrand Areas, 4.375p.
Powell Duffryn, 5p.
Pyrotenax deb. stk., 4 pc.
Siebe Gorman Holdings, 2.375p.
Vereeniging Estates, 26.25p.
Wellman Engineering Corpn., 1.25p.

FRIDAY, SEPTEMBER 10

COMPANY MEETINGS—
Caister Group, Norwich, 12.30.
Cannon Street Investments, Winchester House, E.C., 2.30.
Crown House, Connaught Rooms, W.C., 11.30.
Econa, Solihull, 12.
Imperial Continental Gas Association, Winchester House, E.C., 11.30.
Litton Textile, Leicester, 10.30.
Oldham International, Manchester, 12.
Tower Assets, Washington Hotel, W., 12.
Vaux and Associated Breweries, Sunderland, 12.
Whitbread, Cheswell Street, E.C., 12.

BOARD MEETINGS—
Finals—
Centrovincial Estates
Edworks (1936)
Parker Timber
Trans Australia Investment Trust
Interims—
Anglo American Indust. Corpn.
Anglo American Invest. Trust
Bracken Mines
Kinross Mines
Leslie Gold
St. Helena
Winkelhaak

DIVIDEND & INTEREST PAYMENTS—
Agricultural Mortgage, 9¼ pc deb. stk. 1980-85 4⅝ pc. 7¼ pc deb. stk. 1981-1984 3⅝ pc. 6⅝ pc deb. stk. 1985-90 3 5/16 pc.
Albion, 1p.
Allied Invests., 1.05p.
Allnatt London Prop., 2.5p.
Anderton-Forco Inds., 2.5p.
Anglia Television Non-Voting "A," 2.5p.
Anglo International Inv. Trust Div. Shares, 1p.
Associated Spring Corpn., 30 cts.
Boardman Marden, 0.425p.
British Gas 3½ pc Gtd. stk. 1969-71, 1¾ pc.
Cavenham Foods, 1.25p.
Chrysler Corpn., 15 cts.
Commercial Banking Co. of Sydney, 5.5 cts.
Crosby 7¼ pc Bnds. Red. 15/3/72, 3⅝ pc.
Crown House, 1.25p.
Dartford 7¼ pc Bds. 15/3/72, 3⅝ pc.
Equity Enterprises, 0.625p.
Exchequer 6¾ pc Bds. 1971, 3⅜ pc.
Fruit and Produce Exchange of Great Britain, 1.25p. Pref. 20 pc.
General Motors Corpn., 85 cts.
Gillett Bros. Discount, 6p.
Grace (W. R.), 37.5 cts.
Grand Metropolitan Hotels Ord. and "B," 1.25p.
Harlow 7¼ pc Bds. Red. 15/3/72, 3⅝ pc. 8 pc Bds. Red. 14/3/73 4pc.
Helene of London, 1p.
Kraftco Corpn., 42.5 cts.
Meyer (Mont. L.), 2p.
Mobil Oil Corpn., 65 cts.
Newall Machine Tool, 1.5p. Prefd. Ord. 7p.
Newcastle upon Tyne 9¼ pc Cons. Red. 1978-80, 4⅝ pc.
Ofrex Group, 1.5p.
Texaco Corpn., 40 cts.
Thorn Electrical Inds. Ord. and "A," 3.75p.
Travancore Tea Holdings, 5p.
Treasury 5½ pc 2008-12, 2¾ pc.
Viscose Development, 1.25p. 6 pc Non Cum. Pref. 2½ pc.
Yeoman Investment Trust, 2.25p.

SATURDAY, SEPTEMBER 11

DIVIDEND & INTEREST PAYMENTS—
Berrows Org., 2p.
Vaux and Assoc. Breweries, 11p.

PUBLIC NOTICES

CITY OF BRADFORD

PROPOSED TRANSPORT INTERCHANGE, BRIDGE STREET, BRADFORD.

Design work on this important project is at present being carried out by the Corporation.

1 Whilst the Corporation cannot at present commit itself, it is considered that there will be available valuable space for business advertising. This space may take the form of illuminated or non-illuminated showcases which can be affixed to the inside of the Concourse and the Bus Station itself. In order to assess the demand and provision of such space, the Corporation is open to suggestions from anyone interested in renting the same.

Persons and firms are therefore invited to submit their suggestions and precise requirements whether for their own use or as a commercial venture.

2 Whilst the Corporation does not intend that the Concourse shall be a shopping area it is nevertheless intended to provide adequate facilities to the travelling public, e.g. Cafe, Newspaper Kiosk, etc. In order to assess the demand and provision of such accommodation *within the proposed development* any person or firm is invited to submit precise details of the size of accommodation they would wish to rent and the nature of the trade concerned.

Applications in writing must be submitted to The City Development Officer and *Engineer City Hall, Bradford BD1 1HY (Refs. 'E & V')* so as to be received not later than 10 days from the appearance of this advertisement.

The Corporation does not commit itself to deal with any particular applicant and reserves the right to invite tenders for any tenancy.

Telephone enquiries to Bradford (0274) 29577, ext. 379.

GLASGOW CORPORATION

is issuing today £1.5m. bills for maturity on 6th December 1971, at 4⅛ p.a. The total of outstanding bills amounts to £11.5m.

COURSES

BUSINESS OPPORTUNITIES

COMPANY NOTICES

BRAZILIAN STERLING LOANS: DECREE LAW NO. 6019

N. M. ROTHSCHILD & SONS LIMITED announce that for the sinking funds of September 1971 the following nominal amounts of Plan A bonds have been PURCHASED for REDEMPTION:

State of Minas Geraes 6½%, 30-year External Sterling Loan of 1928 £4,100.

State of Parana 7% Consolidated Bonds, £1,900.

New Court, St. Swithin's Lane, London EC4P 4DU.
6th September, 1971.

CHILEAN EXTERNAL LONG TERM DEBT: LAW NO. 5562

N. M. ROTHSCHILD & SONS LIMITED announce that for the sinking funds of 1st September 1971 the following nominal amounts of bonds have been PURCHASED for REDEMPTION:

Chilean Government 6% Sterling Loan 1925, £26,000.

Chilean Government 6% Sterling Loan 1929 £23,900.

New Court, St. Swithin's Lane, London EC4P 4DU.
6th September, 1971.

DECCA LIMITED

NOTICE IS HEREBY GIVEN that the Transfer Books of the ORDINARY and "A" ORDINARY SHARES will be closed on 27th and 28th September 1971, both days inclusive, for the preparation of Final Dividend Warrants in respect of the year ended 31st March, 1971.

By Order of the Board
W. L. Spalding,
Secretary.

Decca House,
9 Albert Embankment,
London, S.E.1.
3rd September, 1971.

UNIVERSAL PRINTERS LIMITED

NOTICE IS HEREBY GIVEN that the TRANSFER BOOKS of the 7½% Cumulative Preference Shares will be CLOSED from the 17th to 30th September 1971, both dates inclusive. Dividend Warrants will be payable to shareholders on the register at the close of business on 16th September, 1971.

By Order of the Board
F. BURTON,
Secretary.

54 Wellington Street
Derby

W. J. NOBLE & SON LIMITED

NOTICE IS HEREBY GIVEN that the TRANSFER BOOKS of the Company will be CLOSED from the 5th October, 1971 to the 19th October 1971 both days inclusive.

By Order of the Board.
JOHN GORDON WALTON & CO.,
Registrars.

Aqua House,
16, Greek Street,
Leeds 1.

SPORT 2: SOCCER . . . YACHTING

Ipswich trouble Man. Utd.

BY KEVIN RAFFERTY

MANCHESTER UNITED played the first game of the season at Old Trafford on Saturday before ...656 people. They beat Ipswich Town 1—0 and so kept fourth place in Division One, level on points with second-placed Leeds.

George Best scored the only goal of the game, his fourth of the season. Law also put the ball in the net but the goal was disallowed. Put like that it sounds boring. It was. Bald matter-of-fact statements convey almost all the drama worth recording.

If this was Manchester's normal game they will not be near the top of the table at the end of the season. On Saturday they were not quite horrid, but were in a sulky mood, showing only flashes of grace through their stiffenness.

Ipswich are a rather ordinary First Division side, neat and hard-working enough but not with extravagant assets. But they caused Manchester enough trouble. They were the first to attack with swift passing from man to man which Manchester found difficult to grasp.

This was one of three basic patterns Ipswich used which became rather stereotyped, but were still effective. The first was quick, short passing along the ground; the second method was a long ball for Clarke's head; the third a cross or a shot from Robertson.

But Ipswich worked with faithful enthusiasm, and Manchester failed to apply the obvious counter-attacks. With Ipswich on the quick break United's defence seemed leaden in the head, leaden on the ground, bewildered.

The first lesson is that Manchester need to tighten up their marking. Confronted with the high ball, Clarke usually had James flustered: Manchester need a tower around which the defence can group. In pattern three Robertson was usually given time and room to get round the defence and put the crosses over. Manchester need more speed at the back. Summing these up, Ipswich looked more like scoring than Manchester did for most of the match.

That they did not was because of their ordinariness. Hamilton to his credit managed to create about six half chances and three three-quarter chances, but he still could not score. Other Ipswich players, Hill and Hammond notably, also failed to use sharp chances.

But Ipswich seemed more aware of where the goal was than Manchester *did*. At the *start* United flashed a couple of quick shots close: O'Neil was just wide and Best pumped the ball high from only four yards out. But after that Manchester often wheeled around in mid-field, and sometimes retreated in attack.

Ipswich did not fall back nor were they dizzy. In fact Manchester seemed the more puzzled as Ipswich simply and sensibly packed more men back.

But in spite of the team's faults, attack is United's strong point. Law, Charlton and Best all have the genius to break a game open. The older Charlton, now playing back in mid-field, nearly did it twice on Saturday. With the game becalmed and frittered away as Manchester paused to pray, he burst through like a sudden electric storm shattering a heavy night. Suddenly Manchester were lifted from their knees into a real attack, but unfortunately for them the opportunities were narrowly missed.

Best is still too greedy. Law has to learn to adjust to his age. He used to play so many clever tricks, some of them now beyond his energy but not beyond his reflexes.

One of the most impressive players was Gowling, a relatively new recruit who teams up with Morgan in mid-field wearing a No. 4 shirt. A graduate of Manchester University, he is tall and rather gawky, looking all arms and legs, an impression added to by his rolled-up sleeves. At first sight he is rather clumsy, perhaps like a footballer from a decade ago with his well cropped hair and workmanlike attitude.

Even the Manchester goal was an occasion for argument rather than re-telling. Best floated an in-swinging ball from the left and the goal-mouth was full of leaps and lunges. But the ball drifted in with the wind, evaded all, and went straight into the net. Was it a fluke? or a deliberate shot? Best, of course, said he intended it.

Players deplore League's action

MANCHESTER, Sept. 5.

THE Professional Footballers' Association, representing more than 90 per cent. of players in the four English divisions, to-day called for an urgent meeting of players, authorities, referees and managers to discuss the recent spate of bookings of players.

A unanimous statement from the seven-man management committee of the PFA said the players "utterly deplored the action of the Football League in discussing with referees changes in the application of the laws of the game without consultation."

The committee claimed that this action had produced chaos and confusion in the game and threatened the livelihood of a number of footballers. The statement went on to say that if the request for a meeting was turned down the committee would have "no alternative" to put the situation to the full membership of the PFA and to ask for guidance.

On Saturday 52 more players were booked, bringing the total for the three-week-old season to 287. Neither the chairman of the PFA, Derek Dougan, nor any of the other members of the committee, who include Bobby Charlton and Terry Venables, would be drawn as to what consequences would follow if the meeting were not called.

As far as the players are concerned there are two issues at stake: one is the number of bookings, and the fact that some referees are interpreting new rulings more strictly than the others; and the second is that the booking and disciplinary procedure can be costly.

The PFA secretary, Cliff Lloyd, claimed the authorities had imposed new regulations without telling the players or the clubs first. He believed weaker referees were being influenced, but the better referees would ignore the new rulings.

Bobby Charlton said some of the players in lower divisions of the Football League were contract professionals earning only £25 to £30 a week, and many had family responsibilities. Such players could not afford to be suspended and could not afford to ask for a personal hearing where they might have to pay heavy costs if they were called before the disciplinary committee.

Cliff Lloyd said that the committee had been under "great pressure from our members generally" to do something about the situation. But Derek Dougan laughed at questions of a strike of footballers, saying that from what he had seen managers were more ready for a showdown than the players.

KEVIN RAFFERTY

Tactics that could alter rules

BY ALEC BEILBY

KIEL, Sept. 5.

...e pre-Olympic regatta ended ...e yesterday but the diagnosis of the state of health of Britain's ...ential Olympic yachtsmen is ...lly only just beginning.

...A look at the final results ...er a week of hard racing in ...ong westerly winds, which ...med to be a foretaste of what ... be expected at Kiel in the ...mpics this time next year, ...ws that the British can claim ...ypothetical pre-Olympic silver ...al and two equally hypothetical bronze medals.

...ome of our talent, however, ... reminiscent of the Bishop ... the Curate's egg story and ...ody was a better example of ... than the Flying Dutchman ...msman Doug Bishop and his ...w Bev Moss.

...n the six races sailed, they ...rspersed a first among a ...ure to start, a non-finish and ...th position.

...hen in yesterday's final race, ...y were there in Britain's closing moments of glory when Rodney Pattisson and Julian Brooke Houghton led the fleet home, ... Larry Marks and Victor Deschamps second and Bishop and his crew a close third.

Pattisson, who unfortunately is parting company with Brooke Houghton after this week, was placed third in the overall result while his other former crewman Iain Macdonald Smith took second place in the single-handed Finn Class to Magnus Olin, from Sweden.

In the last race of the Finn series a real example of Olympic trial tactics appeared that could at some future date lead to a change in the rules that cover the Olympic scoring system.

To win overall, Macdonald Smith had to ensure that Olin, who started the race with a 10-point lead, finished low in the fleet.

Each competitor discards the points earned for his worst race result when the final reckoning is made. Macdonald Smith's final race was not important but Olin's finishing position was vital to both of them.

Covering Olin at the start, Macdonald Smith put himself over the line which instantly disqualified him but he legally sailed on to sit firmly on Olin in an attempt to force him back into the fleet.

Competition is a good thing and this ploy had the reverse effect. They both sailed away in a private duel leaving the other 71 competitors well behind.

Eventually, poetic justice was dealt to Macdonald Smith from somewhere above and he went into the most sensational capsize of the week, his dinghy turning a complete somersault in less than five seconds leaving a much relieved and relaxed Swede to sail on to the finish and the first prize.

Macdonald Smith's disqualification at the start was certainly not intentional though it is tactical thinking that under similar circumstances might be misused by some less scrupulous sailors in international competition.

By changing the rules to the effect that a disqualification cannot be discarded when the results are finally calculated, a few nasty situations may well be avoided in the future.

TUC now represents over 10m. members

BY ROY ROGERS, LABOUR STAFF

BLACKPOOL, Sept. 5.

MEMBERSHIP OF the TUC has risen by more than 600,000 in the past year to total 10m. for the first time.

Mr. Vic Feather, TUC general secretary, to-day announced the 600,034 improvement on last year's 9,402,170 record level.

This record increase has been achieved without any significant affiliations to the TUC and with the number of member unions dropping, mainly through mergers, from 150 to 142.

Foremost of the growth areas was the public employees section where, presumably as a result of increased militancy resulting from last year's "dirty jobs" strike, membership has jumped by 55,174 men and 102,489 women, swelling the total to almost 1.36m.

Another large increase, of 103,827, was recorded in the technical, engineering and scientific section, making the total 350,949. This was largely accounted for by a net increase of more than 83,000 achieved by Mr. Clive Jenkins' fast growing Association of Scientific, Technical and Managerial Staffs and an expansion of some 20,000 recorded by the technical and supervisory section of the Amalgamated Union of Engineering Workers (formerly DATA).

The 13,000 members of the Union of Insurance Staffs, which merged with ASTMS during the year, are not included in these figures.

Other growing sections include railways (12,679), engineering, founding and vehicle building (74,304) electricity (28,187). Glass, ceramics and chemicals (20,737), civil servants (31,405) and general workers (49,719).

Rail closed shop

The railways' increase appears to be as a result of the closed shop agreement which came into force during the year but which will soon become outlawed under the Industrial Relations Act.

On the loss side the mining section continues to lose members (19,098), as does building (4,906) and agriculture (15,000). Totals for these sections are now 302,842, 375,628 and 100,000 respectively.

Labour-TUC call for £2 rise in pensions

BLACKPOOL, Sept. 5.

Some 3,000 to 4,000 pensioners, trade unionists and holidaymakers gathered on the beach here to-day for a pension rally sponsored by the National Council of Labour.

They heard speakers from the three sections of the Council—the TUC, Labour Party and Co-operative Movement—call for an immediate £2-a-week increase in pensions, with a further improvement in next year's Budget.

Later this week the Trades Union Congress will debate, and almost certainly back, a Transport and General Workers' Union motion calling for an increase in the old age pension to £8 a week for a single person and £14 for a married couple. The union's ultimate aim is to secure pensions equivalent to the TUC's minimum wage target, which is £18 a week but likely to be increased to £20 a week at this Congress.

Current pensions are £5 a week for a single pensioner and £8 10 for a couple, although these are due to increase by £1 and £1.60 a week respectively this month.

Mr. Walter Anderson, general secretary of the National and Local Government Officers' Association and chairman of the TUC's Social Insurance Committee, accused the Government of failing to meet the needs of pensioners and to appreciate the contribution they had made to the country.

Mr. Feather said that, because of the increased cost of living, the impending £1 increase would leave pensioners as well off as they were two years ago. Every trade unionist would make his contribution willingly and happily to provide security for the elderly, said Mr. Feather, although people in the higher income bracket should be compelled to contribute more than at present.

This point was also taken up by Mr. Jack Jones, TGWU general secretary, who declared that a 5 per cent. wealth tax on people with over £75,000 would provide sufficient funds for a £2-a-week pensions increase.

More help for pensioners from local authorities was called for by Mr. Ian Mikardo, Labour Party chairman.

East Kilbride shirt plant to employ 500

A NEW plant is to be set up in East Kilbride by J. H. Jacks to make shirts for Marks and Spencer stores. During the first year it will employ 150, mainly women, rising to 500 over the next two years.

Training will begin in a 10,000 square feet factory on the new town's Kelvin industrial estate within the next few weeks while design work starts on a factory double that size.

Before reaching its decision the company asked the local Department of Employment office to ensure that female labour was available. Within seven days 230 women registered for jobs.

Negotiations between the company and the New Town Development Corporation began a fortnight ago and were completed in record time.

APPOINTMENTS

Capt. E. Lewin chief executive of Hawker Siddeley Dynamics

Capt. E. D. G. Lewin has been appointed managing director of HAWKER SIDDELEY DYNAMICS in place of Mr. G. C. I. Gardiner, who is leaving the company by mutual agreement.

Capt. E. D. G. Lewin

The new managing director joined the Board of Blackburn Aircraft in 1957 and became managing director in 1962. He has been sales director of Hawker Siddeley Aviation from 1968.

★

Mr. Bruce Owen, who was elected to the Board of McINTYRE AND SONS in July, has been appointed chairman.

Aged 24, Mr. Owen has also become joint managing director with Mr. Robert Page, 40, who was co-opted to the Board last week.

The former chairman, Mr. Harry Hughes, and technical director, Mr. Alfred Cunliffe, have retired.

★

Mr. John Jones, chief production manager of the BIFURCATED AND TUBULAR RIVET COMPANY, has joined the Board as production director.

★

Miss P. M. Walton has been appointed executive director, group purchasing, of BANBURY BUILDINGS HOLDINGS from September 27.

★

Mr. Harold Dykes has been appointed a director of BRYANSTON FINANCE. He has for many years been closely associated with the group on legal and property matters.

★

Miss V. A. Leeper has been appointed managing director of AUTOMATIONS INTERNATIONAL (U.K.) in succession to Mr. R. Hanslip. The company is a member of the EIS Group.

★

Mr. Brian Allen has been appointed managing director of SHIPTON AUTOMATION and Mr. Robert Martin has become deputy managing director. Mr. Allen was previously financial director, and Mr. Martin, operations director.

Mr. G. C. Magnus is relinquishing his post as managing director with the full agreement of the Board, to form his own management and technical consultancy company. He will act as consultant to Shipton Automation on new product development, and will remain on the Board in a non-executive capacity.

★

Mr. Charles Green, head of the Corporate Planning Department of the NATIONAL WESTMINSTER BANK since 1968, has become manager of one of the bank's principal City offices at 21, Lombard Street, London. He takes over from Mr. J. F. Jones, who has been made Hyde Park Area manager of NatWest.

★

Mr. S. I. Alman and Mr. J. F. Nightingale have been appointed directors of DICKWELLA (HOLDINGS). Lt.-Col. F. W. S. Roberts and Mr. H. D. Bradshaw have resigned as directors.

★

The Board of the ROYAL BANK OF SCOTLAND has unanimously reached the conclusion that both the age *distribution* and *size* of the present Board require modification and accordingly the following directors are to retire from the Board on September 30: Mr. C. S. Cadell, Sir John Dunbar, Mr. R. J. Henderson, Mr. J. Murray Prain, Mr. R. M. Robertson, Lord Weir, Mr. J. S. C. Williamson.

★

Mr. Randall Soley, previously general sales manager of the communications division of ANTIFERENCE, has been appointed to the Boards of the associated companies of Ashley Accessories and Rock Electrical Accessories, where he becomes sales director.

★

Mr. A. L. Waugh has been appointed managing director of OMES-FAULKNERS. He has been deputy managing director since 1965 and a member of the Board of F. Pratt Engineering Corporation since 1967.

★

Mr. T. G. Whiting, a director of A. E. A. Prowting, and Prowting Estates, and Mr. D. W. Bloomfield, a director of Prowting Estates, have been appointed to the Board of PROWTING HOLDINGS.

★

Mr. John R. Bailey has been appointed a director of WILLIAM BOBY AND CO. (Weir Group).

VW HITS NEW U.K. SALES PEAK

Volkswagen broke its U.K. sales record in August by selling 7,738 vehicles—a 79 per cent. increase over August last year.

This is the highest monthly sales total since Volkswagen (GB) started importing the cars in 1953, the company said. The "phenomenal" increase was helped by the easing of HP restrictions and the purchase tax cuts.

FT Monthly Survey of Business Opinion

GENERAL OUTLOOK

U.S. measures check industry's rising optimism

UNCERTAINTIES generated by President Nixon's economic measures—which were announced when the latest monthly survey was still being conducted—have set back the recovery in business confidence, at least for the time being. Business leaders interviewed after President Nixon's speech took a much more cautious line than those sounded earlier in August.

Mr. Barber's July package was, however, widely regarded as grounds for higher optimism, although the brewers and distillers expressed worries about a recovery in consumer durable spending leaving less money available for their sector and most engineering companies were doubtful about an early revival in investment spending.

On this last score, there are indications in this and previous surveys that prospects for capital investment may be improving slightly. The better profit forecasts lend some support to this interpretation, since the underlying trends in earnings forecasts and investment intentions have tended to move in broad sympathy in the past.

Two other encouraging features of the latest survey are the signs that the trend of orders may be starting to pick up and the continuing improvement in cost expectations.

On the export side, prospects do not appear to have appreciably changed. Companies interviewed after President Nixon's speech were, of course, worried about the possible effects on their overseas business, and engineering companies reported strong overseas competition on both price and credit terms.

Of the three groups sampled last month, engineering was the least optimistic taking the situation overall. Lack of orders and falling output gave rise to decidedly mixed profit prospects. Labour costs were another source of anxiety, with cost of living clauses pushing up current wage rates and a new pay claim in the offing.

The paper/packaging sector reported higher orders, but profitability forecasts were less optimistic than those of the brewers and distillers who were almost unanimously hoping for an improvement. This was the only sector, too, where output was currently running at planned capacity levels—and where there were any plant shortages.

GENERAL BUSINESS SITUATION

Are you more or less optimistic about your company's prospects than you were four months ago?	May-Aug. %	Apr.-July %	Mar.-June %	Feb.-May %	Eng'g. (non-elect.) %	Brews. and Distills. %	Paper Packaging Printing %
	4 monthly moving total				August 1971		
More optimistic	60	60	55	43	53	5	43
Neutral	30	37	38	39	22	79	27
Less optimistic	9	3	7	18	22	16	30
No answer	—	—	—	—	3	—	—

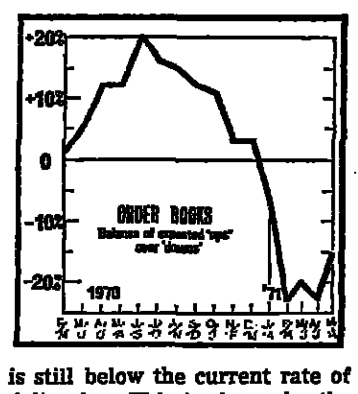
EXPORT PROSPECTS

Those expecting direct export sales during the next twelve months to:	May-Aug. %	Apr.-July %	Mar.-June %	Feb.-May %	Eng'g. (non-elect.) %	Brews. and Distills. %	Paper Packaging Printing %
	4 monthly moving total				August 1971		
Rise	63	60	58	58	66	57	77
Stay about the same	17	21	21	18	34	—	22
Fall	5	1	2	1	—	38	1
Not applicable	15	18	19	23	—	5	—

ORDERS AND OUTPUT

Order flow may be picking up

THE latest figures for both recent orders and total order books suggest that the trend of orders may have begun to improve. The indications are not very strong or long-lived at this stage, but the balance of "ups" over "downs" has stopped deteriorating. It may also be significant that so many companies in the paper, packaging and publishing sector—which is usually thought to be fairly sensitive to general economic trends—reported an improvement in order trends last month.



Even so, the flow of new orders is still below the current rate of deliveries. This is shown by the fact that total order books are still in overall decline—most companies report either falling or unchanged order books, and only a few claim an increase. The latest production forecasts also do not yet suggest that a strong rate of recovery is yet in sight. Indeed, the median forecast increase shows a further slight fall this month, from 6.4 per cent. to 6.2 per cent. As might be expected, the most pessimistic reports this month on both order trends and output forecasts comes from mechanical engineering.

NEW ORDERS

The trend for new orders in the last four months is:	May-Aug. %	Apr.-July %	Mar.-June %	Feb.-May %	Eng'g. (non-elect.) %	Brews. and Distills. %	Paper Packaging Printing %
	4 monthly moving total				August 1971		
Up	*34*	*31*	*30*	*44*	*41*	*3*	*45*
Same	7	10	13	16	13	—	10
Down	15	17	16	14	47	2	2
Not available	44	42	41	26	—	95	43

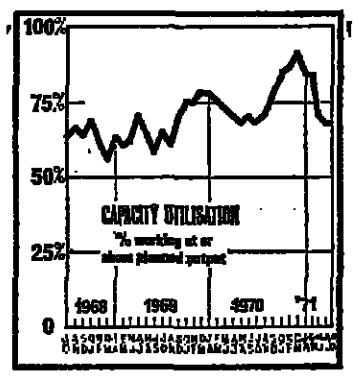
PRODUCTION/TURNOVER

Those expecting production/turnover in the next year to:	May-Aug. %	Apr.-July %	Mar.-June %	Feb.-May %	Eng'g. (non-elect.) %	Brews. and Distills. %	Paper Packaging Printing %
	4 monthly moving total				August 1971		
Rise over 20%	3	1	1	2	22	—	—
Rise 15-19%	1	1	1	4	—	—	—
Rise 10-14%	6	18	25	25	3	—	1
Rise 5-9%	52	40	36	31	19	97	92
About the same	32	33	28	15	25	—	—
Fall 5-9%	3	5	6	5	9	—	7
Fall over 10%	2	—	—	—	22	—	—
No comment	2	2	3	18	—	3	—

CAPACITY AND STOCKS

Widespread spare capacity

DESPITE the recent improvement in the rate of deliveries, industry is still working well below capacity. Indeed, the rate of capacity utilisation appears to have deteriorated further in the last few months, with a third of our all-industry sample now claiming to be operating below their planned or target capacity. The seriousness of the depression in the investment goods sector is clearly shown by the figures for engineering, where over two-thirds of the sampled companies were below target. There is also widespread spare capacity in the paper, packaging sector.



Brewing and distilling appears to be an exception. Here, plant shortages were prevalent among our sample last month. But, apart from labour disputes in the brewing sector and some continuing component supply problems in engineering, the main limitation upon current output rates remains the relative inadequacy of orders. Manpower availability—as throughout 1971 so far—attracts hardly a mention in this respect. As for orders, the insufficiency of home orders attracts three to four times as many mentions as export business—but not, notably, in engineering.

CAPACITY WORKING

Those working at:	May-Aug. %	Apr.-July %	Mar.-June %	Feb.-May %	Eng'g. (non-elect.) %	Brews. and Distills. %	Paper Packaging Printing %
	4 monthly moving total				August 1971		
Above capacity	5	3	4	4	9	3	14
Planned output	63	64	68	79	22	97	47
Below	31	33	28	16	69	—	39
No answer	—	—	—	1	—	—	—

STOCKS

Volume of material stocks or bought-in supplies during the next year expected to	May-Aug. %	Apr.-July %	Mar.-June %	Feb.-May %	Eng'g. (non-elect.) %	Brews. and Distills. %	Paper Packaging Printing %
	4 monthly moving total				August 1971		
Increase	12	7	10	16	19	38	1
Stay about the same	62	53	49	35	81	59	99
Decrease	17	29	29	37	—	—	—
No comment	9	11	12	12	—	3	—
Volume of goods on hand for sale							
Increase	21	19	21	12	9	38	29
Stay about the same	51	43	39	35	44	59	46
Decrease	18	20	23	29	—	1	10
No comment	10	18	17	24	47	2	15

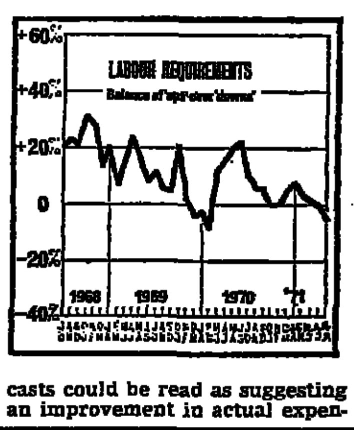
FACTORS CURRENTLY AFFECTING PRODUCTION

Are any of these factors affecting turnover at the present time	May-Aug. %	Apr.-July %	Mar.-June %	Feb.-May %	Eng'g. (non-elect.) %	Brews. and Distills. %	Paper Packaging Printing %
	4 monthly moving total				August 1971		
Shortage of:							
Home orders	78	80	75	60	100	19	56
Export orders	22	37	35	44	97	—	48
Executive staff	2	2	2	2	—	—	—
Skilled staff	4	3	5	7	9	—	—
Manual Labour	—	—	1	4	—	—	—
Components	2	2	2	3	25	—	—
Raw materials	3	3	3	11	—	—	—
Production capacity (plant)	12	4	5	14	3	76	8
Finance facilities	4	2	2	1	9	16	—
Others	1	—	1	2	3	—	7
Labour disputes	5	—	1	10	—	38	—
No factor	8	14	19	23	—	5	36

INVESTMENT AND LABOUR

Investment prospects improve

ONE hopeful feature is the indication that the prospects for capital investment may be improving. The balance of "ups" over "downs" has been improving for some months and the optimists now substantially outnumber the pessimists. The margin is still relatively small—compared, say, with the position a year or two ago. But it is supported by the improving trend for corporate earnings, which in the past appears to have had a strong influence on the underlying trend in investment intentions. On experience so far with this survey, the upward movement in recent investment forecasts could be read as suggesting an improvement in actual expenditure starting towards mid-1972.



Among last month's three sectors, brewing/distilling and the paper/packaging group forecast higher capital outlays. The high cost of borrowing was mentioned by some companies (this was before last week's Bank Rate change), but most companies said they would expect to continue financing their capital requirements largely from internal funds. Fewer companies expected to have to rely upon bank borrowing in the next 12 months, but more talked of selling assets.

Labour requirements, in contrast, are expected to go on declining.

LABOUR REQUIREMENTS

Those expecting the number of employees during the next twelve months to:	May-Aug. %	Apr.-July %	Mar.-June %	Feb.-May %	Eng'g. (non-elect.) %	Brews. and Distills. %	Paper Packaging Printing %
	4 monthly moving total				August 1971		
Increase	18	21	24	24	19	38	—
Stay the same	58	56	54	55	38	24	88
Decrease	24	22	22	20	44	38	12
No comment	1	1	—	1	—	—	—

CAPITAL INVESTMENT

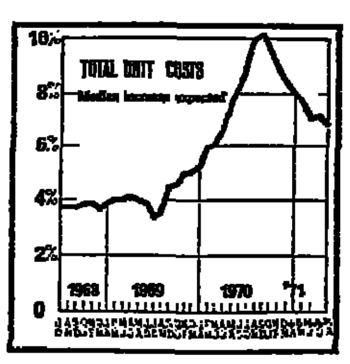
Those expecting total capital expenditure *in the next year to:*	May-Aug. %	Apr.-July %	Mar.-June %	Feb.-May %	Eng'g. (non-elect.) %	Brews. and Distills. %	Paper Packaging Printing %
	4 monthly moving total				August 1971		
Increase	45	41	35	34	13	80	76
Stay the same	30	27	27	25	47	1	15
Decrease	25	31	37	36	41	19	9
No comment	—	1	1	5	—	—	—

COSTS AND PROFIT MARGINS

Better profits despite price curb

BOTH cost and profit trends continue to improve. On costs, very few companies now expect total unit costs to rise by 10 per cent. or more, and the median forecast has now fallen to less than 7 per cent. Views about the prospective trend in wage costs show similar optimism: only half our total sample are now predicting increases of over 10 per cent., as against two-thirds a few months ago.

For prices, the median expected increase remains 7½ per cent. Even so, all the interviewed companies last month said they would follow the CBI initiative on price restraint, particularly for standard products already on the market. New products and one-off contracts might be a different matter, although price competition was cited as a restraining influence in engineering and consumer resistance was mentioned in the paper/packaging sector.



The CBI call for price restraint has not upset the trend towards improving profitability. Over half our total sample now predict better margins and higher earnings. The brewers and distillers are especially hopeful. Low activity rates and price competition explain the more mixed situation in engineering and parts of the paper/packaging sector.

These surveys, which are conducted for the Financial Times by the Taylor Nelson Group, are based upon detailed interviews with top executives about companies' situation and prospects. Three industries and some 30 companies are covered in turn every month from a sample based upon the FT-Actuaries' Index, which accounts for about 60 per cent. of the total turnover of all public industrial companies. The weighting is by market capitalisation.

The all-industry figures are four-monthly moving totals, covering some 120 companies in 11 industry groups (mechanical engineering is surveyed every second month). Foreign-owned companies operating in Britain have been included in the sample since November, 1968.

COSTS

Those expecting hourly wage rates in the next year to rise by:	May-Aug. %	Apr.-July %	Mar.-June %	Feb.-May %	Eng'g. (non-elect.) %	Brews. and Distills. %	Paper Packaging Printing %
	4 monthly moving total				August 1971		
0-4%	—	—	—	—	—	—	—
5-9%	46	32	30	26	50	78	93
10-14%	50	62	66	65	50	22	7
15-19%	1	3	2	2	—	—	—
20%+	—	—	—	—	—	—	—
Same	—	—	—	—	—	—	—
Decrease	—	—	—	—	—	—	—
N/A	2	3	2	7	—	—	—
Those expecting total unit costs in the next year to rise by:							
0-4%	7	6	4	5	—	—	30
5-9%	80	74	72	62	88	78	53
10-14%	6	8	8	16	—	16	7
15-19%	—	—	—	1	—	—	—
20%+	—	—	—	—	—	—	—
Same	4	3	—	—	3	—	7
Decrease	1	—	—	—	9	—	—
N/A	2	9	16	16	—	6	3

PROFIT MARGINS

Those expecting profit margins in the next year to:	May-Aug. %	Apr.-July %	Mar.-June %	Feb.-May %	Eng'g. (non-elect.) %	Brews. and Distills. %	Paper Packaging Printing %
	4 monthly moving total				August 1971		
Improve	53	44	44	26	56	93	45
Remain the same	29	37	35	50	22	2	25
Contract	17	18	20	22	22	3	29
No comment	1	1	1	2	—	2	1

هكذا من الأصل

Overseas News

IN BRIEF

WEST GERMAN Chan-...ellor Willy Brandt has thanked ...he Governments of the Four ...owers for their contribution to ...he Berlin agreement signed ...ast Friday. In letters to ...resident Nixon, Soviet Prime ...inister Alexei Kosygin, French ...resident Georges Pompidou, ...nd British Prime Minister ...dward Heath, he called ...he agreement an important ...tep to relaxation of tensions ...n Europe. He also underlined ...he determination of the West German Government to reach ...successful conclusion of inter-...German negotiations on practi-...al details of the agreement.

NIGERIA'S Pro-Western ...entral labour organisation—the United Labour Congress (ULC) has broken into two factions, ...ealing a sharp blow to the ...ountry's already unstable and ...ivided trade union movement. ...issident leaders of the Con-...ress announced over the week-...nd the formation of a splinter ...ody at the end of a stormy con-...erence held in Benin, the mid-...est capital, which re-elected a ...orthern trade unionist, Malam ...unusa Kaltungo, as president.

TUNISIAN President Habib ...ourguiba has relieved Mr. ...hmed Mestiri of his duties as ...nterior Minister, an official com-...unique said yesterday. Prime ...inister Hedi Nouira will take ...ver the Interior Ministry.

AUSTRALIAN COURT DECISION ON TRADE ACT

By Michael Southern

SYDNEY, Sept. 5.

...MAJORITY decision by the ...ustralian High Court has ques-...oned the validity of the Com-...onwealth Trades Practices Act, ...articularly those covering res-...rictive agreements and the ...plication of sanctions.

The Chief Justice, Sir Garfield ...arwick, ruled that the Act was ...valid and unconstitutional. An ...peal by the Commonwealth ...overnment against the dismissal ...charges relating to an agree-...ent made by three concrete ...e suppliers in Queensland was ...missed. The original com-...aint was that the companies ...d not supplied certain infor-...ation relating to the agree-...ent within 30 days.

The majority judgment said ...at state legislation was needed ...cover restrictive practices in ...stralia. The decision will have ...de ramifications on restrictive ...de practices in Australia ...ich the Commonwealth has ...en trying to outlaw.

Palestine commandos split on Jordan reconciliation

BY OUR OWN CORRESPONDENT

BEIRUT, Sept. 5.

A SPLIT inside the Palestinian commando leadership has delayed a conference called to resolve the crisis between the guerillas and King Hussein. An official Jordanian announcement has said a reconciliation conference which was to be held at the Saudi Red Sea port of Jedda to-morrow, has been postponed until Wednesday "because of disagreement inside the guerilla leadership."

It will be recalled that Jordan had formed a five-man civilian and military delegation for the meeting, which had been arranged through the joint mediation by Egypt and Saudi Arabia.

First news of the guerilla split came from commando sources themselves. Al Hadaf, the Beirut weekly which speaks for the Popular Front for the Liberation of Palestine, reported on Saturday a sharp conflict on the proposed compromise with Jordan inside the 13-member executive committee of the Palestine Liberation Organisation which represents all the main guerilla groups. The publication claimed that certain members of the committee were strongly opposed to any compromise with King Hussein, while others took the line that there would be no harm in attending the meeting and seeing what Jordan had to offer.

Al Hadaf suggested that commando leader Yasser Arafat heads the faction in favour of attending the conference, and said that it was he who despatched two members of the executive committee to Jedda last week to meet with King Feisal.

The PFLP itself had issued a statement warning against a new compromise with Hussein, and the group's leader, Dr. Georges Habash, was quoted as saying by a Palestinian affairs publication here that what the guerilla movement should do is bring down King Hussein's regime.

Observers note that a psychological obstacle in way of the Jedda meeting is the fact that it coincided with the first anniversary of the PFLP's multiple hijacking of aircraft to Jordan, and the ensuing civil war there. Informed sources here said the planned sabotage of aircraft of El Al, the Israeli airline, was to be timed with this anniversary.

Israel announced last night that it had foiled two attempts this week by Palestinian commandos to smuggle explosives aboard Israeli airliners and blow them up. Neither attempt was successful.

Reuter reports from Jerusalem: Stringent security precautions were in force on Israeli airline flights to-day following Arab guerilla attempts to blow up two airliners in mid-air by duping two girl tourists into taking explosives on board in suitcases.

A Government statement last night merely said that two attempts to sabotage El Al planes in the past week by exploiting innocent passengers into bringing explosives on board were foiled. But officials here said the sabotage operations had been mounted from West European airports and the passengers involved were a Peruvian and a Dutch girl. The two girls were detained in Israel on their arrival.

Key Soviet envoy meets Nimairi in Alexandria

BY OUR OWN CORRESPONDENT

CAIRO, Sept. 5.

SOVIET Ambassador Vladimir Vinogradov yesterday had separate meetings in Alexandria with President Anwar Sadat and President Jaafir Nimairi of Sudan. This is the first contact at such a high level between President Nimairi and a Soviet official since the abortive pro-Communist coup of July 19 in Sudan and the subsequent deterioration in Sudan-Soviet relations following the execution of Communist leaders.

President Nimairi arrived in Cairo on Friday from Tripoli, where he had attended Libya's revolution anniversary celebrations. Originally, he was scheduled to make only a stop-over, but he left Friday evening with President Sadat by train for Alexandria.

Mr. Vinogradov arrived back in Cairo from leave only on Thursday. An official announcement said the two Presidents would continue their talks to-day at the Mamoura resthouse, Alexandria, but made no further mention of the Soviet envoy. The announcement said the two Presidents were discussing the situation in the Arab world after the establishment of the confederation of Egypt, Syria and Libya, Sudan's joining the confederation and relations between the two countries.

President Sadat is known to have been worried about the deterioration in relations between Moscow and Khartoum and its possible effect on Arab ties in general with the Soviet Union. His close associate, Mohamed Hassanein Heykal, chief editor of Al Ahram, has twice recently argued that the Arab countries must remove the cloud over relations with Moscow before they undertake any new moves on the Middle East crisis.

It is believed here that President Sadat has taken the opportunity of President Nimairi's stop-over to persuade him to receive Mr. Vinogradov and at least listen to the Soviets. In discussing Sudan's planned adherence to the Confederation, President Sadat might well have hinted that it would be difficult to arrange, as long as Sudan was at loggerheads with the Confederation's main ally, the Soviet Union.

YEMENI PM IN LEBANON

By Our Own Correspondent

BEIRUT, Sept. 5.

MAJOR-GENERAL Hassan al Amri, whose resignation as North Yemeni Premier was announced in Sanaa over the week-end, was not available for comment here to-day. He had arrived here Thursday amidst speculations of a Government crisis in his country, but he denied to reporters that he had resigned, and insisted that he came to Lebanon for rest and medical checkups.

DUBAI RULER'S SURPRISE VISIT

By Our Own Correspondent

ABU DHABI, Sept. 5.

THE Ruler of Dubai, Sheikh Rashid Bin Said al Maktoum, arrived here on a sudden visit last night for talks with the Abu Dhabi Ruler Sheikh Zayed.

Although no details concerning the discussions were released, it is believed that talks centred on the latest Gulf developments as well as the administrative and political steps to proclaim the union of Arab emirates, whose constitution was signed by the six Rulers of Abu Dhabi, Dubai, Sharjah, Ujman, Fujeira, and Um al Quwain in Dubai last July. A meeting of the six Rulers to discuss the institution of a federal cabinet, assembly and president as well as officially announce the union was scheduled to meet here in early September but was subsequently postponed. The postponement was decided on, it seems, pending attempts that are being made to clear the way for the union expected application for membership in the UN as an independent sovereign state. These attempts include the settlement of territorial disputes in the area. In the meantime British envoy Sir William Luce currently in Bahrain is due here for talks with Sheikh Zayed to-day before proceeding to Dubai.

Makarios pleased at Athens talks

NICOSIA, Sept. 5.

PRESIDENT Makarios returned here to-day from Athens and expressed himself "pleasantly satisfied" with his two days of discussions with Greek leaders on the deadlock of intercommunal talks in Cyprus.

President Makarios told reporters he was "happy to say that the rare clouds which had brought a chill into Greek-Cypriot relations have been dissolved by the Athens talks." He and Greek Prime Minister George Papadopolous had discussed other procedures which might be followed on the Cyprus issue, in view of the bogging down of the intercommunal talks for settlement between Greek and Turkish Cypriots. He said any other procedure would be adopted only after consultations with United Nations Secretary General U Thant.

Answering questions, the President said the disappearance of General Grivas, the former Eoka leader, from his Athens residence last Monday had not occupied a special place in his Athens talks. Asked about the Greek Government's reaction to the departure of Grivas, Archbishop Makarios said that "since he left without permission their reaction was not favourable."

Questioned on reports that General Grivas had come to Cyprus disguised as a priest, he pointed out that impersonating a priest was a violation of the law, adding with a smile: "If he is here disguised as a priest then he falls under my jurisdiction."

President Makarios said he was not particularly worried about the possible presence of General Grivas in the island, but if he had arrived here "he should make his presence known so that there will be no worries about his health."

Reuter

DUTCH PREPARE FOR BUDGET

By Our Own Correspondent

THE HAGUE, Sept. 5.

THE Dutch Minister of Labour, Mr. Jaap Boersma, has invited both sides of industry to discuss the social and economic prospects for next year on September 23, two days after the 1972 budget. Discussion will centre on wages and prices policy.

Meanwhile, the Cabinet is reported to have run into serious difficulties during the final stage of budget preparations. The 1971 deficit will now be considerably larger than suggested by information available when the Cabinet took over in July.

Within the Cabinet, one school of thought favours more drastic cuts in public spending than were found necessary during the inter-Party discussions which preceded the formation of the Cabinet.

Merger fever in the U.S. civil aviation industry

BY JUREK MARTIN

NEW YORK, Sept. 5.

A NEW TWIST in the fast escalating airline merger game in the U.S. surfaced late on Friday afternoon with the announcement of the proposed combination of Northwest Airlines, one of the most profitable in the country, and National Airlines, through an exchange of stock worth over $225m. at current market values.

Northwest ranks seventh among the major domestic trunk carriers; its routes are primarily in the north west of the country but also include services to the Far East. National, which has just reported its first operating loss in a decade, is the ninth largest and flies along the east coast to Florida, from Florida to California and also from Florida to London. Together the two airlines would form a new industrial giant with annual revenues of about $775m. a year, making it the fifth largest domestic carrier.

This proposed merger is the fourth important case now before the Civil Aeronautics Board: the others are between American Airlines (the second biggest in the country) and Western (the sixth), Delta (No. 5) and Northeast (No. 11), and Mohawk and Allegheny, two smaller regional carriers. Northeast, a chronic loss airline, has been looking for a partner for ages. Only recently a planned merger between it and Northwest fell through when the CAB stipulated that the valuable north east route from Miami to Los Angeles could not be included in it.

At the same time, those companies who have no agreements in the works at the moment are making no bones of the fact that the current proliferation of mergers will send them out shopping. Eastern Airlines, for example, immediately served notice on Friday that it would fight the Northwest-National merger, just as it is fighting the Delta-Northeast merger, but added that it now felt that it had little alternative but "to go out looking for someone to get married to."

Continental Airlines, vexed, as is United Airlines, by the American-Western deal, has said more or less the same thing. Standing in the wings, meanwhile, watching the essentially domestic carriers hopping in and out of bed with each other, are the two airlines who have publicly pinned so much hope on a merger—Pan American World Airways, which is looking for domestic services and Trans World Airlines, which is looking for anybody, Pan Am included.

Fraught

Eastern Airlines, which in terms of revenues is the fourth largest domestic airline, but which in terms of services is the second, has talked to both Pan Am and TWA already (not to mention Continental and Braniff). TWA and Pan Am have talked to each other and just about every airline.

The situation therefore is fraught with confusion. Compounding it is the attitude of the U.S. Government, or, rather, the respective attitudes of the various departments within the Government. Last week the Justice Department opposed on anti-trust grounds the American-Western merger but on the very same day the Transportation Department endorsed it: the opinions of both are now in front of the CAB.

Coincidental with these opinions the Transportation Department issued some very rough guidelines on future mergers in the industry—drawn up, it so happens, with the co-operation of the Justice Department but interpreted by the two departments very differently in the American-Western case. Many of these rules of thumb are pretty obvious—that any merger should not eliminate competition, result in undue concentration and so forth. They also stipulate that any merger that triggers defensive mergers among competitors (as Eastern airlines has implied) may well be undesirable.

Moreover, the guidelines also said that the Transportation Department remained unconvinced that bigger airlines were more efficient than smaller ones and that it would probably oppose any merger that resulted in an industry giant larger than the present No. 1, United Airlines. The American-Western combination would come closest to matching United in size and the Department has approved it.

The CAB, of course, is the single most important Government agency as far as airline mergers go (though if there is an appeal it can go all the way to the Supreme Court). Of late, largely because of the economic difficulties facing the airline industry, the CAB has tended to be quite benevolent to proposed mergers and other forms of cost cutting.

But going the whole hog and approving major mergers that could reshape the whole industry is rather a different matter. Yet this, in the light of the arrangements such as that proposed on Friday, is the prospect that faces the civil aviation authorities in the United States at the present time. It is an awesome task.

Soviet trade talks open in Cuba

HAVANA, Sept. 5.

A TOP-LEVEL Soviet delegation has opened talks here on increasing mechanisation in the country's sugar harvest and other important issues. The official newspaper, Granma, said that the delegation, which arrived here on Friday night, would also discuss new sources of electricity production and the production of medicine in Cuba.

The delegation, in Cuba for the first session of the Cuban-Soviet Inter-Governmental Commission for Economic, Scientific and Technical Collaboration, is headed by Soviet Vice-Deputy, Premier Vladimir Novikov. The aims of the Commission, set up under a Moscow agreement last December, include the study of plans aimed at boosting the quantity and quality of importing and exporting goods between the two countries, and the related transport problems.

The present joint session also has on its agenda a review of the progress made in the construction of plants built with Soviet help, such as fertilisation and power plants, and also proffered Soviet help in further training of Cuban administrators in charge of these plants.

In a speech here Mr. Novikov spoke of the vast co-operation which already existed between the two countries and said that exchanges between the two showed a 60 per cent. increase in the last five years.

He said Soviet efforts were concentrated on the delivery of combustible and essential raw materials such as oil and rolling metal. He also underlined Soviet efforts to try to satisfy Cuban demands for machinery.

Cuba, he said, was supplying the Soviet economy with such important goods as sugar and nickel, while the Soviet Union was helping Cuba with the construction of electric plants, fishing harbours and mechanical workshops, and repairs to sugar mills, as well as providing technicians and equipment.

Reuter.

THE LIST OF APPLICATIONS WILL BE OPENED AT 10.00 A.M. ON THURSDAY, THE 9TH SEPTEMBER, 1971 AND WILL BE CLOSED ON THE SAME DAY.

THE AGRICULTURAL MORTGAGE CORPORATION LIMITED

(Incorporated under the Companies Acts 1908 to 1917)

SHARE CAPITAL

in Shares of £1 each

Authorised	Issued and Fully Paid
£750,000	£750,000

LOAN CAPITAL

	Issued	Outstanding at the 17th August, 1971		Issued	Outstanding at the 17th August, 1971
5 per cent. Debenture Stock, 1959-1989	£8,300,000	£5,357,692	7¾ per cent. Debenture Stock, 1981-1984	£17,000,000	£17,000,000
4½ per cent. Debenture Stock, 1961-1991	£2,000,000	£1,026,968	7¾ per cent. Debenture Stock, 1991-1993	£20,000,000	£20,000,000
3½ per cent. Debenture Stock, 1975-1978	£3,500,000	£1,696,655	9¼ per cent. Debenture Stock, 1983-1986	£20,000,000	£20,000,000
4½ per cent. Debenture Stock, 1977-1982	£5,000,000	£2,924,526	9¼ per cent. Debenture Stock, 1980-1985	£25,000,000	£25,000,000
5 per cent. Debenture Stock, 1979-1983	£5,000,000	£3,519,640	9¼ per cent. Debenture Stock, 1981-1983	£20,000,000	£20,000,000
5½ per cent. Debenture Stock, 1980-1985	£5,000,000	£3,301,449	9¼ per cent. Bonds 31st January, 1972	£2,000,000	£2,000,000
6 per cent. Debenture Stock, 1982-1987	£6,000,000	£5,077,902	7¾ per cent. Bonds, 14th February, 1972	£2,000,000	£2,000,000
6½ per cent. Debenture Stock, 1975-1977	£10,000,000	£8,675,281			
5¾ per cent. Debenture Stock, 1993-1995	£10,000,000	£8,180,519			
6½ per cent. Debenture Stock, 1992-1994	£12,000,000	£12,000,000			
6½ per cent. Debenture Stock, 1985-1990	£12,000,000	£12,000,000		£185,000,000	£169,980,439

and

9 per cent. Debenture Stock, 1979-1982 £10,000,000

which constitutes this present issue and is referred to in this prospectus as the New Stock.

ISSUE OF £10,000,000
9 PER CENT. DEBENTURE STOCK, *1979-1982*
AT £100 PER CENT

PAYABLE AS FOLLOWS:

On application	£10 per cent.
On Monday, 29th November, 1971	£25 per cent.
On Thursday, 20th January, 1972	£65 per cent.
	£100 per cent.

INTEREST PAYABLE HALF-YEARLY ON THE 16TH MARCH AND THE 16TH SEPTEMBER

The New Stock is an investment falling within Part II of the First Schedule to the Trustee Investments Act 1961. Application has been made to the Council of The Stock Exchange, London, for permission to deal in and for quotation for the New Stock. A copy of this prospectus has been delivered to the Registrar of Companies for registration, such copy having attached to it (i) the written consent of the Auditors mentioned herein to the issue of this prospectus with a copy of their report included therein in the form and context in which it is so included; (ii) a statement in writing signed by the Auditors as to the adjustments made by them in their report on the profits of the Company and giving their reasons therefor; and (iii) a copy of each of the contracts mentioned in paragraph 8 of the statement given herein.

THE GOVERNOR AND COMPANY OF THE BANK OF ENGLAND are authorised to receive applications for the New Stock, the issue of which was authorised by a resolution of the directors of the Company passed on the 11th August, 1971.

1 CONSTITUTION

The Agricultural Mortgage Corporation Limited (the Company) was incorporated in England as a public company on the 12th November, 1928, in pursuance of the Agricultural Credits Act 1928, principally for the purposes of making loans on first mortgages of agricultural or farming estates, properties or lands in England and Wales, and of making loans in accordance with the Improvement of Land Acts 1864 and 1899 for effecting or paying for improvements for agricultural purposes. The Company has carried on business since the 14th January, 1929.

The share capital of the Company was subscribed for in cash at par and is held beneficially by the following banks:—Bank of England; Barclays Bank Limited; Lloyds Bank Limited; Midland Bank Limited; National Westminster Bank Limited; and Williams & Glyn's Bank Limited.

Loans made by the Company on the security of agricultural or farming estates must not exceed two-thirds of the certified value of the properties mortgaged at the time of the advance being made and must be made repayable by yearly or half-yearly instalments, or on such other terms as may be determined by the Company from time to time, over a period not exceeding sixty years. The rate of interest currently being charged by the Company on new loans is 10¼ per cent. per annum.

2 PURPOSES OF THE PRESENT ISSUE

The net proceeds of the New Stock will be used for making loans as described above or for replacing or repaying other monies (including temporary borrowings from the Company's bankers) which have been used for such purpose. Until so used the net proceeds of the New Stock will be placed on deposit with one or more of the shareholding banks, or invested in stocks, funds or obligations of the British Government.

3 REGISTRATION

The Bank of England have been appointed registrar of the New Stock, which will be transferable in multiples of one new penny by instrument in writing in accordance with the Stock Transfer Act 1963, free of charge and stamp duty.

4 INTEREST

Interest (less income tax) on the New Stock will be payable half-yearly at the Bank of England on the 16th March and the 16th September; the first payment will be made on the 16th March, 1972, at the rate of £2.93 (less income tax) per £100 Stock. Interest warrants will be transmitted by post.

5 REDEMPTION

The Company is entitled at any time to purchase in the market for cancellation stock of any issue (including the New Stock) at any price.

Any New Stock not previously redeemed or cancelled after purchase in the market will be repaid at par on the 16th September, 1982, but the Company is entitled to redeem the New Stock, in whole or in part, by drawings or otherwise, at par on or on any date after the 16th September, 1979, on giving at least three months' previous notice in two London daily newspapers.

6 SECURITY

The New Stock will rank pari passu in point of charge with the existing issues of debenture stock and bonds.

The existing issues of debenture stock and bonds are constituted and secured by a trust deed dated the 24th July, 1929, and various supplemental trust deeds, in favour of The Whitehall Trust Limited of 10 Old Broad Street, London, EC2P 2HT, creating a first floating charge upon the whole of the Company's undertaking, property and assets, present and future (including uncalled capital) and so that (except as mentioned below in relation to further issues of debenture stock and bonds) the Company may not create any mortgage or charge ranking in priority to or pari passu with the charge thereby created other than mortgages and charges (whether fixed or floating) in favour of bankers to secure moneys borrowed by the Company in the ordinary course of its business.

7 FURTHER ISSUES OF DEBENTURE STOCK

Under the above-mentioned trust deed and supplemental trust deeds, the Company has power (within the limit below-mentioned) to issue further debenture stock and other like securities, in either one or several series, ranking pari passu in point of charge with its outstanding debenture stock.

The total amount of debenture stock or other like securities at any time issued and outstanding (exclusive of mortgages or charges in favour of bankers as mentioned above) must not exceed the limit which is imposed by the trust deed and supplemental trust deeds and is contained in proviso (C) to clause 3 of the Company's Memorandum of Association. Under this proviso the amount of debenture stock or other like securities aforesaid:—

". . . shall be restricted in such manner that the amount for the time being on loan from the Minister for the purposes of the Company's guarantee fund when added to the amount of the paid up share capital for the time being of the Company and the amount as shown by the last audited Balance Sheet of the Company standing to Reserve (including Special Reserve) (hereinafter together referred to as "the marginal fund") shall never be less than 10 per cent. of the aggregate principal amount secured by all such debentures, debenture stock and other securities issued by the Company and for the time being outstanding (after deducting from the amount of the debentures debenture stock and other securities outstanding the value of any investments or other assets specially set aside and earmarked for redemption of such debentures debenture stock or other securities the value of which has not been taken into account in ascertaining the amount of the Company's Reserves) except that the amount of debentures debenture stock or other securities of the Company to be issued under paragraph (1) of this Clause in excess of £50,000,000 shall be restricted in such manner that the excess of the marginal fund over £5,000,000 shall never be less than 7½ per cent. of the aggregate principal amount in excess of £50,000,000 secured by all such debentures debenture stock and other securities issued by the Company and for the time being outstanding after making the said deductions. Should the proportion borne by the marginal fund to the amount of the outstanding debentures debenture stock and other securities of the Company after making the said deductions at any time (by reason of repayment of the amount on loan from the Minister, reduction of the Company's capital or otherwise) fall below that hereinbefore stipulated, the validity of the debentures debenture stock and other securities of the Company validly issued in the first instance and outstanding when such fall occurs shall not be affected thereby but all profits subsequently earned by the Company shall be carried to reserve until by that means or by the issue and payment up of further shares or the payment off of securities or otherwise the said proportion between the marginal fund and the amount of the outstanding debentures debenture stock and other securities of the Company shall have been restored. If and to the extent to which debentures debenture stock or other securities of the Company are to be issued under paragraph (1) of this Clause for the purpose of being applied in funding any debentures debenture stock or other securities previously issued under such paragraph (hereinafter called "existing stock") or of repaying temporary advances so applied the amount of the securities so to be issued (hereinafter called "new stock") shall not be taken into account for the purposes of this proviso (C) pending their application as aforesaid until they are so applied or until the expiration of six months after their issue, whichever shall first occur. For this purpose (a) new stock shall be deemed to be applied in funding existing stock to the extent to which either (i) new stock is issued in or towards satisfaction of or substitution for existing stock or (ii) moneys raised by the issue of new stock are applied in or towards repayment of existing stock and (b) new stock shall be deemed to be issued on the day of the first allotment thereof."

Subject to the above, the terms and conditions of issue of any debenture stock or other like securities issued in the future may vary in any respect from those of the New Stock and the existing issues of debenture stock and bonds.

In accordance with the requirements of the above-mentioned trust deed dated the 24th July, 1929, the Company has delivered to the trustees a certificate that the issue of the New Stock is within the limit imposed by the above-mentioned proviso.

8 STATISTICAL INFORMATION

Up to the 31st July, 1971, the Company had made loans on mortgage of £256,041,101, of which £175,919,988 remained outstanding, and improvement loans of £419,146, of which £57,793 remained outstanding, and had approved further loans of £7,793,000 subject to completion of the necessary formalities.

The principal assets of the Company consist of the mortgages or securities from time to time held by the Company in respect of loans made by it. The mortgage loans outstanding at the 31st July, 1971, are within the limit imposed by the Company's Memorandum of Association and the improvement loans then outstanding are repayable by means of rent charges which are secured on properties having an estimated aggregate rental value considerably in excess of the aggregate amount of such rent charges.

In addition, agreements of the 24th January, 1929, and the 20th March, 1945, between the Minister of Agriculture and Fisheries and the Company and of the 14th February, 1957, the 1st May, 1961, and the 8th September, 1967, between the Minister of Agriculture, Fisheries and Food and the Company provide that the amounts advanced to the Company by the Minister with the approval of the Treasury for the purpose of establishing a guarantee fund are to be invested in stocks, funds or obligations of the British Government which are to be held by the Company as a guarantee or security fund for further securing debenture stock and other like securities of the Company; such fund may be drawn upon for the payment of interest and the maintenance of sinking funds on the Company's debenture stock to the extent to which the Company's available resources are insufficient for those purposes. At the date of this prospectus the guarantee fund amounts to £11,935,000 which includes £665,000 advanced to the Company by the Minister on the 31st August, 1971. No interest is payable by the Company on these advances, or so much thereof as remains outstanding, until the expiration of 60 years from the dates of receipt by the Company.

Under the provisions of the Agricultural Development Act 1939 and the Agricultural Mortgage Corporation Act 1956, the Minister may make annual grants to the Company in each of the fifteen years from the 31st March, 1959, subject to a limit of £100,000 in any one year.

9 APPLICATIONS AND GENERAL ARRANGEMENTS

Applications, which must be accompanied by a deposit of £10 per cent., will be received at the Bank of England, Loans Office, 1 & 2 Bank Buildings, Princes Street, London, EC2R 8EU; a separate cheque must accompany each application. Applications must be for £100 Stock or a multiple thereof up to £2,000 Stock; applications for more than £2,000 Stock must be in multiples of £500 Stock. No allotment will be made for a less amount than £100 Stock. Letters of allotment in respect of Stock allotted will be despatched by post at the risk of the applicant. In the case of partial allotment, the balance of the amount paid as deposit will be refunded by cheque.

Payment in full may be made at any time after allotment but no discount will be allowed on such payment. Default in the payment of any instalment by its due date will render the deposit and any instalment previously paid liable to forfeiture and the allotment to cancellation.

Letters of allotment may be split into denominations of multiples of £100 on written request received by the Bank of England, Loans Office, on any date not later than the 19th January, 1972; such a request must be accompanied by the letter of allotment (but the letter cannot be split if any instalment payment is overdue). Letters of allotment must be surrendered for registration, accompanied by a completed registration form, when the final instalment is paid, unless payment in full has been made before the due date, in which case they must be surrendered for registration not later than the 20th January, 1972.

A commission of 12½p per £100 Stock will be paid to bankers or stockbrokers on allotments made in respect of applications bearing their stamp; this commission will not, however, be paid in respect of any allotment which arises out of an underwriting commitment.

Prospectuses and application forms may be obtained at the Bank of England, Loans Office, 1 & 2 Bank Buildings, Princes Street, London, EC2R 8EU, or at any of the branches of the Bank of England, at the Offices of The Agricultural Mortgage Corporation Limited, Bucklersbury House, 3 Queen Victoria Street, London, EC4N 8DU; from Messrs Mullens & Co., 15 Moorgate, London, EC2R 6AN; or at any Stock Exchange in the United Kingdom.

BANK OF ENGLAND,
LONDON.
3rd September, 1971.

STATEMENT

Directors: JOHN PATRICK RIVERSDALE GLYN, Bucklersbury House, London, EC4N 8DU. Banker (Chairman)
SIR FRANK CYRIL HAWKER, 10 Clements Lane, London, EC4N 7AB. Banker (Deputy Chairman)
JASPER ST. JOHN ROOTHAM, 11 Old Broad Street, London, EC2P 2HT. Banker.
SIR (ARTHUR) RICHARD MANKTELOW, K.B.E., C.B., Careys, Abinger Common, Dorking, Surrey. Retired Civil Servant.
JOHN GEORGE JENKINS, C.B.E., Childerley Hall, Dry Drayton, Cambridge, CB3 8BB. Farmer.
EDWARD HOLLAND-MARTIN, 28 St. James's Place, London, S.W.1. Banker.
HENRY UVEDALE ANTROBUS LAMBERT, 83 Colmore Row, Birmingham 3. Banker
FRANCIS WINGATE WILLIAM PEMBERTON, C.B.E., F.R.I.C.S., Trumpington Hall, Cambridge, CB2 2LD. Chartered Surveyor.

Trustees for the Debenture Stockholders: THE WHITEHALL TRUST LIMITED, 10 Old Broad Street, London, EC2P 2HT.
Auditors: PEAT, MARWICK, MITCHELL & CO., Chartered Accountants, 11 Ironmonger Lane, London, EC2P 2AR.
Solicitors to the Company: LINKLATERS & PAINES, Barrington House, 59-67 Gresham Street, London, EC2V 7JA.
Solicitors to the Trustees: FRESHFIELDS, 1 Bank Buildings, London, EC2R 8AB.
Secretary and Registered Office: FRANCIS GEORGE CLARIDGE, Bucklersbury House, London, EC4N 8DU.

1 Accountants' Report—the following is a copy of a report received from Messrs. Peat, Marwick, Mitchell & Co., the Company's Auditors:—

THE DIRECTORS,
THE AGRICULTURAL MORTGAGE CORPORATION LIMITED,
BUCKLERSBURY HOUSE, 3 QUEEN VICTORIA STREET, LONDON, EC4N 8DU.
11 IRONMONGER LANE, LONDON, EC2P 2AR.
3rd September, 1971

GENTLEMEN,

We have acted as Auditors of the Company since the date of its incorporation on 12th November, 1928, and report as follows:—

I PROFITS

The profits of the Company for the ten years ended 31st March, 1971, arrived at on the basis stated below, were as follows:—

(1) Year ended 31st March	(2) Profit before charging Debenture Stock and Bond Interest and Taxation	(3) Debenture Stock and Bond Interest payable	(4) Profit before Taxation
	£	£	£
1962	2,273,531	2,078,796	196,735
1963	2,656,077	2,456,029	200,048
1964	2,902,263	2,560,846	341,417
1965	3,419,027	3,112,823	306,204
1966	3,998,581	3,605,112	393,469
1967	5,067,186	4,463,642	603,544
1968	5,952,883	5,302,435	650,448
1969	7,344,626	6,370,947	973,679
1970	9,663,415	8,428,417	1,234,998
1971	12,508,744	10,821,733	1,687,011

NOTE 1 The profits set out in column (2) above are arrived at before charging taxation and interest on existing debenture stocks and bonds, but after charging all other expenses and making such other adjustments as are, in our opinion, appropriate.

NOTE 2 The emoluments of the Directors of the Company for the year ended 31st March, 1971 amounted to £10,497. Under the arrangements now in force the emoluments of the Directors would amount to £14,747.

NOTE 3 The loans made to the Company by the Minister of Agriculture, Fisheries and Food ("the Minister"), totalling £11,270,000 referred to in NOTE 3 to the statement of net assets below, are free of interest for a period of sixty years from the respective dates on which they were made.

II NET ASSETS

The following is a statement of the net assets of the Company at 31st March, 1971 based on the audited balance sheet at that date:—

	£	£
FIXED ASSETS:		
Loans—		
On first mortgage of agricultural land	170,283,913	
To landowners for improvements to agricultural land under the provisions of the Improvements of Land Acts 1864 and 1899	59,932	
		170,343,845
Investments at cost (NOTE 1)		12,212,247
		182,556,092
CURRENT ASSETS:		
Sundry debtors including interest accrued on loans and investments (gross)	3,868,502	
Cash	20,867	
		3,889,369
TOTAL ASSETS		186,445,461
Deduct:		
LOAN CAPITAL, secured (NOTE 2)		152,531,023
		33,904,438
CURRENT LIABILITIES AND PROVISIONS:		
Bank overdrafts	15,993,695	
Sundry creditors, including interest accrued on debenture stock (gross)	3,118,830	
Corporation tax due 1st January, 1972	748,000	
Proposed dividend	26,250	
		19,886,775
		14,017,663
LOANS FROM THE MINISTER OF AGRICULTURE, FISHERIES AND FOOD (NOTE 3)		11,270,000
NET ASSETS AT 31ST MARCH, 1971		£2,747,683
REPRESENTING:		
Share capital		
Ordinary shares of £1 each issued and fully paid		750,000
Special reserve for redemption of the loans from the Minister of Agriculture, Fisheries and Food		618,700
Revenue reserves		
Contingencies account	1,217,677	
Profit and loss account	133,329	
		1,351,006
General reserve		222,527
Tax equalisation account		56,430
		2,998,663
Deduct:		
Costs of debenture stock and bond issues less amounts written off		251,000
		£2,747,683

NOTE 1 INVESTMENTS	Nominal £	Market Value 25th August, 1971 £	Cost £
Investments in dated securities or obligations of the British Government:			
Representing loans from the Minister of Agriculture, Fisheries and Food	12,302,633	9,241,358	11,270,000
Representing Special Reserve	895,563	496,626	618,700
Other investments quoted in the U.K.		238,474	323,547
		£9,976,458	£12,212,247

NOTE 2 LOAN CAPITAL, secured—

		£
5 % Debenture Stock,	1959-1989	5,432,692
4½% Debenture Stock,	1961-1991	1,061,966
3½% Debenture Stock,	1975-1978	1,749,622
4½% Debenture Stock,	1977-1982	2,990,289
5 % Debenture Stock,	1979-1983	3,606,493
5½% Debenture Stock,	1980-1985	3,531,449
6 % Debenture Stock,	1982-1987	5,077,602
6½% Debenture Stock,	1975-1977	8,611,281
5¾% Debenture Stock,	1993-1995	8,279,519
6½% Debenture Stock,	1992-1994	12,000,000
6½% Debenture Stock,	1985-1990	12,000,000
7¾% Debenture Stock,	1981-1984	17,000,000
7¾% Debenture Stock,	1991-1993	20,000,000
9¼% Debenture Stock,	1983-1986	20,000,000
9¼% Debenture Stock,	1980-1985	25,000,000
9¼% Debenture Stock,	1981-1983	2,010,000
9¼% Bonds, 31st January,	1972	2,000,000
7¾% Bonds, 14th February,	1972	2,000,000
		£152,541,023

NOTE 3 LOANS FROM THE MINISTER OF AGRICULTURE, FISHERIES AND FOOD

Between 29th January, 1929, and 31st March, 1971, loans from the Minister totalling £11,270,000 have been made to the Company for the purposes of its guarantee fund under the provisions of various Acts of Parliament. These loans are repayable in accordance with the terms of agreements between the Minister and the Company dated 24th January, 1929, 20th March, 1945, 14th February, 1957, 1st May, 1961, and 8th September, 1967.

NOTE 4 GRANTS FROM THE MINISTER OF AGRICULTURE, FISHERIES AND FOOD

Grants have been received from the Minister totalling £1,766,863. These grants, which were made under the provisions of the Agricultural Development Act 1939 and the Agriculture (Miscellaneous Provisions) Act 1944, are being repaid under the terms of an agreement dated 1st May, 1961 in which it is provided that no repayment is required before 31st March, 1974, unless the Company builds up its reserves to £1,230,000 and pays dividends, when a sum equal to the net dividend after tax shall be repayable to the Treasury. Repayments have been made and the General Reserve reduced accordingly.

The grants received have been dealt with in the accounts as follows:—

	£	£
Credited to profit and loss account prior to 1960		1,439,667
Credited to General Reserve	222,527	
Repaid	104,673	327,200
		£1,766,863

No provision has been included in the above statement of net assets for the contingent liability to repay these grants.

NOTE 5 At 31st March, 1971, loans for £9,470,000 had been approved, subject to completion of legal and other formalities.

III DIVIDENDS

Dividends paid by the Company in respect of the ten years ended 31st March, 1971, have been as follows:—

Year ended 31st March	Issued Share Capital	Rate of Dividend per cent.
	£	
1962 and 1963	750,000	NIL
1964	750,000	2½
1965	750,000	3½
1966	750,000	3½
1967	750,000	3½
1968	750,000	3½
1969	750,000	NIL
1970	750,000	3½
1971	750,000	3½

IV ACCOUNTS

No accounts have been made up since 31st March, 1971.

Yours faithfully,
(Signed) PEAT, MARWICK, MITCHELL & CO.,
Chartered Accountants.

2 No shares in or debentures of the Company are under option.

3 The Company's Memorandum of Association provides that for any year at the beginning of which any part of the guarantee fund remains outstanding the maximum rate of dividend to be paid on any shares of the Company shall be 3½ per cent. per annum and such dividend shall not be cumulative so as to be payable in a later year.

4 Since the 31st March, 1971, no capital of the Company has been issued for cash or for a consideration other than cash and, with the exception of the New Stock, no such capital is now proposed to be so issued.

5 Within the two years last preceding the date of this prospectus, with the exception of the following commissions on:—

£2,000,000 9% Bonds, 8th February, 1971, issued on the 2nd February, 1970, at £99 15/16 per cent., aggregating £1,250;
£2,000,000 9¼% Bonds, 31st January, 1972, issued on the 2nd February, 1970, at £100 per cent., aggregating £1,250;
£25,000,000 9¼% Debenture Stock, 1980-1985, issued on the 12th March, 1970, at a minimum tender price of £98½ per cent., aggregating £315,138;
£2,000,000 7¾% Bonds, 14th February, 1972, issued on the 5th February, 1971, at £99 15/16 per cent., aggregating £1,250;
£20,000,000 9¼% Debenture Stock, 1981-1983, issued on the 19th March, 1971, at a minimum tender price of £98.25 per cent., aggregating £251,050;

and, except as mentioned herein, no commission has been paid or is payable in respect of any shares or debentures of the Company and no discounts, brokerages or other special terms have been granted in connection with the issue or sale of any capital of the Company.

6 The expenses of the present issue are estimated to amount to £200,000 and are payable by the Company.

7 It is the intention of the Company to enter into an agreement with the Inland Revenue for the composition of the stamp duty payable on transfers of the New Stock.

8 The following contracts which are or may be material have been entered into within the two years preceding the date of this prospectus:—

dated the 6th March, 1970, the 15th March, 1971, and the 3rd September, 1971, each between the Company and Messrs. Mullens & Co., providing respectively for the underwriting of the £25,000,000 9¼ per cent. Debenture Stock, 1980-1985 issued on the 12th March, 1970, the £20,000,000 9¼ per cent. Debenture Stock, 1981-1983, issued on the 19th March, 1971, and of the New Stock, for commissions aggregating in each case 1¼ per cent. on the nominal amount of the issue.

9 Messrs. Peat, Marwick, Mitchell & Co. have given, and have not withdrawn, their written consent to the issue of this prospectus with the inclusion therein of a copy of their report in the foregoing form and context.

10 Copies of the Memorandum and Articles of Association of the Company, of the trust deed dated the 24th July, 1929, of each of the supplemental trust deeds constituting the existing issues of debenture stock and bonds, of the above-mentioned contracts, of the agreement dated the 1st May, 1961, between the Company and the Minister which is referred to in NOTE 4 of paragraph II of the Auditors' report set out above, of the certificate delivered in accordance with the requirements of the above-mentioned trust deed by the Company to the trustees that the issue of the New Stock is within the limit imposed by proviso (C) of clause 3 of the Memorandum of Association of the Company, a draft (subject to revision) of the supplemental trust deed relating to the New Stock, a statement signed by the Company's Auditors setting out the adjustments made in their report on the profits and giving the reasons therefor, and copies of the audited accounts of the Company for the years ended the 31st March, 1970, and the 31st March, 1971, may be seen at the offices of the Company's Solicitors, Messrs. Linklaters & Paines, Barrington House, 59-67 Gresham Street, London, EC2V 7JA, during business hours on any week-day (except Saturday and bank holidays) until the 30th September, 1971.

THIS FORM MAY BE USED

The list of applications will be opened at 10 a.m. on Thursday, the 9th September, 1971, and will be closed on the same day.

THE AGRICULTURAL MORTGAGE CORPORATION LIMITED
9 PER CENT. DEBENTURE STOCK, 1979-1982
ISSUE OF £10,000,000 AT £100 PER CENT.

TO THE GOVERNOR AND COMPANY OF THE BANK OF ENGLAND.

I/We request you to allot to me/us in accordance with the terms of the prospectus dated the 3rd September, 1971 (a) £........................

say, ... pounds, of the above-named Stock and I/we hereby engage to pay the instalments as they shall become due on any allotment that may be made in respect of this application, as provided by the said prospectus. I/We request that any letter of allotment in respect of the Stock allotted to me/us be sent to me/us by post at my/our risk.

The sum of (b) £ ...., being the amount of the required deposit (namely £10 for every £100 of the Stock applied for), is enclosed.

(c) I/We declare that the applicant(s) is/are not resident outside the Scheduled Territories (d) and that the security is not being acquired by the applicant(s) as the nominee(s) of any person(s) resident outside those Territories.

SIGNATURE ....

Date .... 1971.

Name in full ....
(State title or whether Mr., Mrs. or Miss)

Address ....

....

BLOCK LETTERS

(a) **Applications must be for £100 of the Stock or a multiple thereof up to £2,000 Stock; applications for more than £2,000 Stock must be in multiples of £500 Stock. Applications should be lodged at the Bank of England, Loans Office, 1 & 2 Bank Buildings, Princes Street, London, EC2R 8EU.**

(b) **A separate cheque must accompany each application. Cheques should be made payable to "Bank of England" and crossed "Agricultural Mortgage Loan."**

(c) If this declaration cannot be made it should be deleted and reference should be made to an Authorised Depositary or, in the Irish Republic, an Approved Agent, through whom lodgment should be effected. Authorised Depositaries are listed in the Bank of England's Notice EC 1 and include banks, stockbrokers and solicitors practising in the United Kingdom. Approved Agents in the Irish Republic are defined in the Bank of England's Notice EC 10.

(d) The Scheduled Territories presently comprise the British Commonwealth (except Canada and Rhodesia), the Irish Republic, British Trust Territories, British Protectorates and Protected States, Bahrain, Iceland, the Hashemite Kingdom of Jordan, Kuwait, Libya, South Africa and South West Africa, Western Samoa, the People's Democratic Republic of Yemen.

Caledonian wins £1.2m. charter contract

By Ray Dafter

British Caledonian Airways has won a contract worth more than £1.2m. for affinity group charter flights between the U.K. and California next year.

The contract covers about 160 one-way trips for the British American Club of Northern California and the Anglo-California Club of Britain. Regular charter flights for the clubs have been operated for four years by British Caledonia and its predecessor airlines but the 1972 programme is the biggest yet.

Mr. Pat Shasby, president of Anglo-California Travel Service, which arranged the contract, said the flights would enable some 15,000 people on both sides of the Atlantic to visit families and friends.

Mr. Adam Thomson, chairman and managing director of British Caledonian, who signed the contract in San Jose, California, said the deal emphasised the airline's success in winning export orders and enhanced its reputation as a foreign currency earner.

Mr. Benn to visit China

Mr. Anthony Wedgwood Benn, vice-chairman of the Labour Party and his wife, Caroline, will leave London on Wednesday, to visit China at the invitation of the Chinese Institute of Foreign Affairs in Peking. They will return on September 22.

The invitation is the first issued to a Labour Parliamentarian since Mr. Attlee led a Labour delegation to China in 1954, also at the invitation of the Institute.

Mr. Wedgwood Benn will have talks on world problems, Sino-British relations, and trade and technology. Mrs. Benn, a member of Inner London Education Authority and Editor of "Comprehensive Education," will visit educational institutions.

GOODS DRIVERS' RECORD RULES

The Freight Transport Association has put to the Department of the Environment a case for detailed examination, and in some cases revision, of six aspects of the goods vehicle drivers' record rules.

Points covered in the submission, which follows close monitoring by the FTA of the first 18 months of operation of the rules, are the issue of record books; entering the driver's home address in record books; the recording of short driving periods; exemptions from record keeping; retention of records; and the checking of records.

More big companies back CBI on prices

BY HAROLD BOLTER, INDUSTRIAL CORRESPONDENT

EVIDENCE of clear support for the Confederation of British Industry's initiative on prices restraint is expected to be produced by the CBI on Wednesday, following a sustained effort by the Confederation to gain a firm commitment to the policy among the 200 largest concerns in Britain.

More of the biggest companies in the U.K. have signed the CBI undertaking not to increase prices by more than 5 per cent. before the end of July next year since the announcement on August 25 that "well over 150" had signed.

The Confederation is confident that it will be able to show that only a handful of the larger groups have felt unwilling to offer a specific pledge to hold prices—an action regarded as a necessary accompaniment to the reflationary measures introduced by the Government.

Voluntary offers

In addition, at least three times as many smaller concerns which were not asked for this written promise of restraint volunteered to make it.

Several companies which had doubts about the CBI initiative even after the measures introduced by the Chancellor of the Exchequer on July 19 have had them resolved by last week's cut in Bank Rate and the prospect of further investment in expansion.

Under the terms of the CBI undertaking companies are asked to promise to space "unavoidable" price increases at least 12 months apart and, where this proves impossible, to hold back for at least eight months and to limit the rise to rate that is proportional to an annual rate of 5 per cent.

Finally, and only if none of these alternatives can be observed, companies are asked to undertake to get in touch with the CBI and discuss their situation before proceeding with a price increase.

Policing role

In this way the CBI will limit itself to monitoring the performance of the exceptions among the larger groups who decide that they must put up prices by more than the maximum allowed for in the undertaking.

For this reason the Confederation may not have to increase the size of its staff to carry out its self-appointed policing role on prices, although this possibility cannot be ruled out.

When the CBI scheme gets under way the Confederation can also be expected to look for a more positive response among the unions to its appeal for them to exercise reciprocal restraint in the wages field.

HOME CONTRACTS

Standard Telephones wins £7.8m. P.O. work

Standard Telephones and Cables has won orders from the Post Office for the extension of 49 automatic telephone exchanges, all of the step-by-step type. The orders will be placed during the last four months of this year and will amount to a total value of £7.85m.

★

Dexion-Wharton Cranes has been awarded a £250,000 contract for the supply of two overhead electric travelling cranes for the Central Electricity Generating Board.

They will be used at the new Isle of Grain (Kent) power station. The first crane is due for delivery in October, 1972, and the second in March, 1973.

★

Educational Supply Association (Scotland) is to provide £49,000 worth of classroom furniture to Barmulloch secondary and primary schools, for Glasgow Corporation.

★

AES (Building) a subsidiary of the Avonmouth Engineering Group, has been awarded a £50,000 contract to build a transport depot in Manchester for Robert Wynn and Sons.

★

DOW-MAC Concrete (Norcros) has been awarded two contracts worth £250,000 from W. and C. French (Construction) to supply prestressed concrete bridge beams for its Leeds inner ring road and LTE, Hounslow extension contracts.

★

George Wimpey and Co. has won a £145,000 order for a chemical fungicide plant, which ICI's dyestuff division will use to produce pyrimidines. It is to be built at Grangemouth, Stirlingshire.

★

Vic Hallam (Contractors) has won a £360,000 contract to build a factory for Pork Farms, at Nottingham, for completion in 12 months.

City's invisible earnings £540m. in 1970

Financial Times Reporter

THE INVISIBLE earnings of U.K. Financial Institutions (The City of London) rose to £540m. net in 1970, more than double the 1966 figure.

These estimates, the first to put the City's earnings above the £500m. a year, are struck after deducting all payments (debits) overseas.

Insurance accounted for £281m. of the total, followed by banking (£96m.), brokerage (£74m.), investment trusts, unit trusts and pension funds (£45m.) and merchanting (£40m.—£45m.). The estimates are contained in Annex Five of the U.K. Balance of Payments 1971, HMSO.

RISTS AGAIN ON FULL TIME

Short-time working has ended at Rists Wires and Cables factory in Newcaslte-under-Lyme, Staffs. In addition, 100 part-time workers who were laid off have been recalled, and the company is taking on some school-leavers as trainees. A spokesman said there had been an increase in orders.

Europe gas centrifuge 'club' set for success

By David Fishlock

GENEVA, Sept.

THE European tripartite gas centrifuge "club" is set firmly on the road to success, execu[...] believe, after the first fr[...] exchanges this past week [...] detailed design information.

Initial impressions are that the experience of each of the [...] partners, Britain, Holland [...] West Germany, very satisfy[...] complements the others.

"It fills," as one B[...] scientist expressed it, "the [...] in each others' ideas."

The logic underlying colla[...]tion between the three na[...] to develop a new ura[...] enrichment technology, la[...] pooling the design data of [...] three, to produce a vastly sur[...] second-generation centrifuge [...]cess.

Exchanges of these cl[...] guarded details could not [...] place, however, until the [...] tripartite centrifuge com[...] came into existence. The se[...] URENCO, based in Britain [...] destined to manage the centr[...] plants, was announced onl[...] Tuesday. But meanwhile [...] three countries, independ[...] had embarked on pilot cent[...] factories totalling some £15[...] value.

Particularly satisfying so [...] turns out, is the way each c[...] has solved the problems of [...] producing key componen[...] very low cost. Centrifuges [...] be assembled for an extr[...] low unit cost, less than [...] apiece, if the process is to [...]pete commercially with g[...] diffusion.

The gas centrifuge, virtual[...] last remaining civil nuclear [...] made a coy debut here to [...] the eve of the United N[...] "atoms for peace" confe[...] The conference will be o[...] this morning by Dr. Glenn [...]borg, chairman of the U.S. [...] Energy Commission.

First pictures

In models and pictures [...] even some hardware, co[...] unveiled progress in the t[...]logy of lightweight centr[...] Britain, for example, releas[...] first pictures of a casca[...] hundreds of centrifuges, [...] tightly together, demonstra[...] very high level of confide[...] the integrity of an ext[...] highly-rated machine. The [...] exhibited a simple model [...] primitive gas centrifuge. [...] Italians went further, sh[...] such components as cen[...] rotors, among the most [...] guarded aspects of the desi[...] the tripartite partners. [...]partite "club" standards, [...]ever, these components we[...] sidered antiquated.

British Nuclear Design an[...]struction has revealed a [...] design of commercial hig[...]perature gas-cooled reacto[...] technical and economic fe[...] the company claims, unriva[...] other thermal reactors. [...] smaller reactor core than [...] a 625-megawatt AGR and [...] stressed concrete pressure [...] of "about the same size," [...]lieves its design will yie[...] megawatts of electricity.

Lord Selborne dies aged 84

THE EARL of Selborne [...] was Minister of Economi[...] fare from 1942-45, and a [...] chairman of the House of [...] the Church Assembly, died [...] home, Blackmoor House [...] Hants, at the week-end. [...] 84.

He was a Conservative [...] Viscount Wolmer, he repr[...] Newton in the House of Co[...] from 1910-1918, and Al[...] from 1918-40. He then [...] the House of Lords.

In 1961 Lord Selborne r[...] from the East Hampshir[...] servative Association in [...] against the Macmillan [...]ment's African policy.

He was 78 when he [...] Mrs. Valerie Irene de [...] Bevan. She was his secon[...] and she died in 1968. [...] is a grandson, Viscount [...] whose father died on act[...] vice in 1942.

INTERIM STATEMENT

THE KULIM GROUP LIMIT[...]

(Issued Capital £2,353,761 fully paid)

HALF YEAR'S RESULTS

The following are figures of the production and tr[...] results (unaudited) of the Group for the first half of 1971 [...] comparative figures for 1970:—

	Six months ended 30th June, 1971	Six months ended 30th June, 1970	Financial Year ended 31st December 1970
Production (including purchased crops):—			
Palm oils	10,867 tons	6,654 tons	17,28[...]
Palm kernels	2,262 tons	1,358 tons	3,703
Rubber (mainly premium grades)	5,476,124 kgs.	5,372,688 kgs.	11,869,000
Gross Profit (after charging Amortisation and Depreciation)	£482,622	£335,219	£856,739
Taxation (after proportion of allowances and losses brought forward)	£116,000	£8,478	£18,738
Net Profit	£366,622	£326,741	£838,001

The greater part of the estimated production for the [...] of 1971 has been sold at prices which should ensure [...] prices for the main categories of production in excess of [...] obtained for the 1970 output. On the basis of these [...] prices and the substantial increase in the production of [...] oil and kernels during 1971, the present indication is th[...] Gross Profit for the whole of this year should be in the [...] of £1,100,000 compared with £838,001 for 1970 as shown [...]

It is the Board's intention to pay an Interim Divide[...] respect of the current year in December, 1971.

New town corporations anxious about future

BY ARTHUR SMITH

PRESSURE IS mounting for the Government to reaffirm its commitment to the programmed industrial and commercial growth of Milton Keynes, Peterborough and Northampton new towns.

The towns, charged primarily with recruiting employment and labour from Greater London to help alleviate overcrowding in the metropolis, have expressed concern about their future in letters submitted to the Greater London Development Plan Inquiry.

Peterborough Development Corporation is "seriously concerned" about proposals for promoting "very large increases in factory and office floorspace" within Greater London. (The GLC plans to almost double industrial and office floorspace in the period 1972-76 compared with 1966-71.)

Northampton Development Corporation suggests that such a policy "could damage both the speed with which we could develop, and also the proportion of Londoners we could be able to house." The link between housing and the movement of industry from London is also stressed in a letter from Milton Keynes Development Corporation.

In response, the GLC has given some measure of reassurance about population movement, but stands by the floorspace targets.

"Rundown"

Emphasising in a GLDP background paper the need not to allow an excess of job opportunities in either the new towns or London, the GLC says this "may require some revision of planning policies on location of industry and offices."

In London, the fall in employment opportunities was outpacing the fall in labour supply, and the GLC floorspace policies are "designed to control the increasing rate of rundown of potential London employment." The GLC adds, moreover, that "outside London, there appears to be scope for bringing employment growth more into line with the new pattern of population settlement."

Attention is also drawn to the slow rate of growth of the national economy in a comment which goes right to the heart of the present problem. The GLC says "there is competition between the new towns, expanding towns, other growth areas, and the Development and Intermediate Areas for a limited pool of new industrial development and mobile employment. There is already a tendency for some firms to find new locations in Europe."

The idea is even floated that the three new towns might look for industry to London's first ring of new towns "where there is now sometimes difficulty in matching labour supply to demand." The GLC suggests that its "expertise gained in steering mobile industry to expanding towns" might assist in such a project.

Speculation about the future growth of the new towns has intensified with the publicity by Corby Development Corporation following the Whitehall decision to refuse an important industrial development certificate to a West German concern.

While the decision on Corby may be unrelated to that of the three neighbouring new towns, there are, nevertheless, fears that the move could presage a general change in Government attitude towards Milton Keynes, Peterborough and Northampton.

$ crisis 'has brought sale of ships to standstill'

BY RAY DAFTER

THE recent international currency developments have brought the sale and purchase of ships to a complete standstill, while more shipping conferences have informed their customers that, because of the effective devaluation of the dollar, currency adjustment charges are to be introduced.

Shipbrokers Eggar Forrester warns in its latest ship sale and purchase report that as long as the currency uncertainty lasts international trade and shipping will be the prime sufferers.

The emergence of financial disorder to compound the difficulties already facing the shipping market was "most unwelcome."

Many owners of bulk carriers were so disheartened by market indications that they were withdrawing tonnage from sale in the hope of better prices to come.

A moratorium would remain until the freight market improved or profits from last year's boom were exhausted and owners were forced to sell to maintain their liquidity.

Significant

Slightly increased activity in the sale of tankers reflected the continuing interest in modern tonnage but the significant factor in this market was the chartering of tankers for grain business "which invariably implies that this market has hit rock-bottom."

All the lines imposing currency adjustment charges point out that as the rates of exchange have not yet stabilised it may be necessary to alter these special charges from time to time.

As reported in the Financial Times on Friday, representatives of European shippers' councils have already been warned by the Committee of European National Shipowners' Associations that the effective devaluation of the dollar in most conferences was such as to justify a surcharge, rate increase or other interim action to restore parity.

Among the latest groups of shipping lines to announce the imposition of a special charge is the Outward Continent to Australia Conference. A charge of 5.5 per cent. is to be made to the U.S. dollar freights shown on accounts before conversion to local currencies.

Conventional vessels commencing to load from to-day will be affected while containership charges take effect from September 14.

Adjustment

United Kingdom-Red Sea Conference Lines is imposing a currency adjustment factor of 2.5 per cent. for seven conferences or agreements from to-day. This increase covers cargo for Aden, Jeddah and Yembo, Assab and Djibouti, Massawa, Berbera, Aqaba and Mukalla.

In addition, the Conference Lines announced a 3.5 per cent. adjustment factor for the U.K./North Continent-Seychelles Conference, starting to-day.

Member-lines of the Mauritius Outward Conference are imposing an adjustment charge of 4.1 per cent. from September 9, while the Association of West India Trans-atlantic Steam Ship Lines is introducing a 3.5 per cent. charge on September 13.

This latter association (WITASS) covers westbound and eastbound traffic between Europe—including the U.K. and Scandinavia—and the majority of Caribbean countries, Surinam, Guayana, Venezuela, Atlantic Colombia, Panama, Central America and Mexico.

A spokesman commented: "The present instability of the world monetary situation has placed shipping conferences with dollar tariffs in an extremely difficult position. As a result of the de facto devaluation of the U.S. dollar, WITASS members are suffering substantial losses of income."

Better N.I. position for part-timers

PART-TIME shop assistants, cleaners and Saturday workers are some of the people who will benefit from regulations now published and coming into force from September 20 which increases from £4 to £5 a week the amount employees will be able to earn before having to pay Class 1 flat-rate National Insurance contributions. The small Industrial Injuries contribution will still be payable.

As the employer will no longer have to bear the cost of flat-rate contributions for workers earning £5 a week or less, it should be easier for part-timers to get jobs. For the same reason, the rule will help those who can't earn much because of a physical or mental handicap.

The new rule, like the present one, does not apply to anyone whose pay includes board and lodging and in calculating the £5, such things as meals, fares, and payments in kind are counted.

GRAY DAWES TO DEAL IN EXCHANGES

Gray Dawes and Co. the merchant banking subsidiary of Inchcape and Co., has been authorised to deal in gold and foreign currencies, within the provisions of the exchange control regulations.

The move is in line with the development of Gray Dawes as a merchant bank, and will facilitate the expansion of Euro-currency operations. The director with special responsibility for foreign exchange is Mr. Henri Jaquier.

PROCESS PLANT EQUIPMENT MAKERS

The need to sell directly abroad

BY JOHN TRAFFORD

AS THE DUST from the international currency crisis begins to settle and world trade continues unabated despite the supposed dangers of floating exchange rates, British exporters are hard at work trying to decide where they stand.

One branch of industry which will have plenty of guidance about the importance of exports is the process plant equipment makers and contractors. They can turn to the Little Neddy process plant working party's sixth report which was published recently.

Warning

The report warns that there will be no growth in demand for process plant on the home market over the next two years. If plant manufacturers wish to see their businesses grow, it says, they will have to look to import substitution or overseas markets.

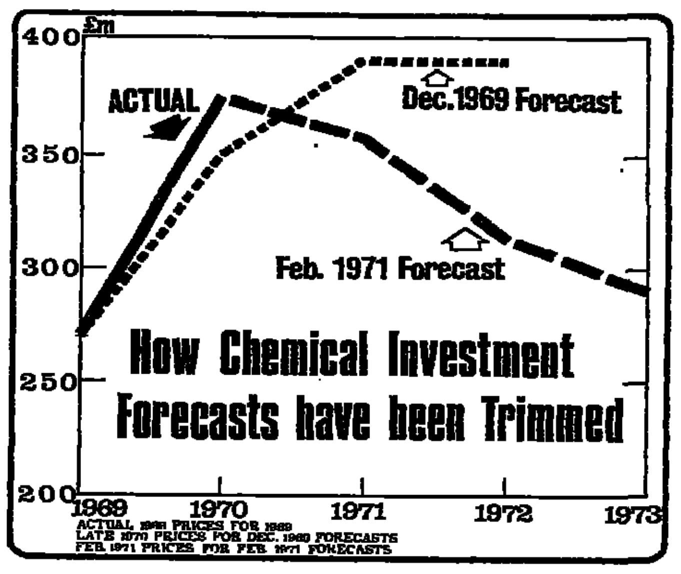
The chemical sector, which accounts for two-fifths of the whole business, is the soft spot, largely because companies have cut back their investment plans following world-wide over-capacity. In 1972 and 1973, expenditure on new plant and engineering services is now expected to be £110m. below the £784m. forecast in last year's report.

Happily, the process plant industry serves oil refining and distribution, electricity generation, food processing and existing plant maintenance as well as chemicals. There are some bright spots to offset the gloom in chemicals, notably in oil refining.

Taking the hardware content only of the investment spending forecast and leaving out the other costs—such as site acquisition and preparation, plant design, construction and contractor's profits—the overall figures are bleak. Spending on hardware for process plant in the U.K. is forecast at £553m. this year, £552m. next and £547m. in 1973, all at late 1970 prices. Since labour productivity should go up, the report concludes that the number of people "needed to support the process industries should decline."

A call for greater efforts on the export market sounds an excellent idea. However, the problems of achieving any improvement are considerable, partly because the process plant industry as presently constituted has difficulty in being competitive worldwide and partly because of the way in which the process industries buy their new plant.

Contractors usually undertake the design and construction of entirely new plants. Less ambitious projects and maintenance



work are normally handled by the process operating companies themselves.

Historically, the equipment makers have sold partly to their ultimate clients, the process operators, and partly to the contractors who build new plant. This poses no special headaches for domestic business. But for export markets the equipment makers have very largely relied on U.K.-based contractors getting overseas orders; they have not tried much direct selling to foreign process operators.

Provided British hardware is competitive on price, specification and delivery, this export business via contractors should keep on growing. London has become, and remains, the world centre for process plant contractors. Virtually every important U.S. contractor has an office here.

The best grounds for optimism are the contractors' export record. London-based contractors signed up £170m. worth of export business last year, 27 per cent. up on 1969. Forecasts for the current year suggest that that record will be surpassed with ease.

If prospects are so good, one might wonder what all the fuss is about. Surely the equipment suppliers only have to stay competitive and wait for their contractor friends to land the orders?

Recent history, however, suggests that British equipment makers are not always competitive. At BP Chemicals' Baglan Bay petrochemical complex in South Wales, most of the turbines and compressors—both important bits of machinery—came from West Germany, Holland and the U.S. There are no good grounds for complacency.

British equipment makers need to sever their heavy reliance on home-based contractors and process operating companies. The question is, how?

The hardest nut to crack is the process operating company sitting on the wrong side of a tariff barrier. With the EEC's Common External Tariff on process plant equipment standing at around 15 per cent., the British supplier has a tough job selling to, say, an Italian refiner. The Italian will, almost of habit, favour his local hardware suppliers. In France and West Germany there are specification problems since neither subscribe to the widely used U.S. standards.

Selling direct to clients tends to be simpler in the Middle East and North Africa, where these problems do not arise. Then again, some sectors of the process industry are easier to penetrate than others: oil companies, for instance, often buy equipment world-wide to meet their world-wide needs.

Opportunity

A better opportunity for exports rests with selling to the overseas-based contractor. There are a number of these in West Germany, Italy, Holland and France as well as the U.S. and Japan. Many of them are local subsidiaries of American contractors, which tend to have a wider-ranging, more international approach to the purchase of equipment.

To gain business, the British equipment supplier has to do three things; get on both the contractors' and the clients' list of preferred suppliers and then sell his equipment when a contract is awarded. Already some efforts have been made to interest foreign contractors. The Council of British Manufacturers of Petroleum Equipment sent a ten-man mission to the U.S. at the end of 1969 to learn what business was in the pipeline and to inform the American contractors about British hardware.

On the technical side, the problems are severe. Few British companies have spent enough in design and fabrication research to compete with their American, West German and Italian counterparts in advanced equipment. Some rely on licences from foreign equipment makers. This helps to close the technological gap but it usually limits the number of countries where the equipment can be sold. U.K.-based contractors, when asked to list process hardware where British manufacturers lead the world on their own account, counter with a very meagre tally, of which "cold boxes," instrumentation and control systems are the most frequently mentioned.

On production costs, too, it is hard to find areas where British equipment makers can confidently claim that they are fully competitive. Lower labour costs in Britain, where they exist, are sometimes offset by lower labour productivity or, more frequently, by shorter production runs. None of the industry's leaders remotely compares in output with the three West German giants, Mannesmann, Gütehoffnungshütte or Fried. Krupp, nor has specialisation been carried on with the same single-mindedness as in either Germany or Italy.

In general, British equipment suppliers are at the greatest competitive disadvantage in specialist process equipment needed for plant in highly industrialised foreign countries and are strongest when it comes to straightforward pipes, pumps, valves and services to be used in underdeveloped countries.

Finance

Competitiveness is very dependent on where the finance comes from. If part or the whole of an overseas project is being financed in sterling, the contractor concerned has little alternative but to buy in this country. However, favourable finance alone can never be a satisfactory base on which to build a thriving equipment industry.

The warning that the Little Neddy report gives on the need for greater exports may be timely. There is certainly a need for British companies to gain more overseas business independent of U.K.-based contractors. But unless they can show themselves to be fully competitive both technically and commercially, the export sales efforts will falter. The challenge facing the British equipment makers is whether they can rationalise their production during a period of home market stagnation and growing competition.

The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● PROCESSING

Measuring heat flow in solids

DURING the past few years the *growth of refrigerated transport* and concern with building standards has led to a marked improvement in the insulating properties of materials used in all types of widely differing buildings, containers and plant.

But before the designer can use a new material with any degree of confidence he must be able to measure the conductivity of a specimen accurately. With existing apparatus, this is a lengthy procedure because of the time taken for the hot and cold source and sink to reach a steady state.

Now, Yarsley Laboratories of Clayton Road, Chessington, Surrey has developed a heat flow *meter thermal conductivity apparatus* that reduces the time taken for such a test to only 30 minutes. In addition, it is small, completely portable and simple to use.

Designed to take specimens 12 inches square and up to two inches thick, the apparatus consists basically of a hot plate, cold plate and a heat flow meter. Both the hot and cold plates are of cast aluminium, while the heat flow meter is a sheet of material with a thermal conductivity higher than the material being measured but less than, say, a metal plate. It is fitted with a large number of differentially connected thermocouples giving an output voltage proportional to the heat flux across the plate.

Cold chamber

Similar thermocouples measure the *temperatures of the hot* plate, cold plate and the specimen (or warm) side of the heat flow meter. All the cold thermocouple junctions are maintained at a steady temperature of 0degC by an automatic cold chamber.

Temperature of the cold plate is maintained by a refrigerated *bath which can give any temperature* between minus and plus 20degC to an accuracy of better than 0.05degC. The hot plate is heated electrically and the temperature is controlled by a thyristor system to within 0.1degC. Both of the plates are heavily insulated, especially at the edges to minimise heat losses from this source.

In practice, the specimen is placed between the hot plate and the heat flow meter. The output from the meter thermocouples are linked electrically with those from the hot and cold plate and *the specimen side of the meter,* giving automatic compensation for temperature changes. This corrected output voltage is then indicated on a three-figure digital micro voltmeter with a 100 per cent. over-range.

A potential divider circuit ensures that a discrimination of *one part in 2,000 is still obtained* at inputs of up to 5mV.

The complete apparatus is contained *in a hermetically sealed* insulated box which contains a desiccant to prevent condensation, and is mounted on a trolley.

Plastics mirrors

SILVERED acrylics, PVC and polycarbonates can *now* be supplied by Artisan and General Products, of 81, Cromwell Road, London SW7. Manufacturing plant has been established in the U.K. and the company hopes to export the material to Europe *until such time as negotiations* are completed for licences to manufacture in France, Germany and Switzerland.

The company claims that the strong adhesion of the silvering allows acrylic sheets to be cold-formed for simple convex and concave shapes. The material can be sawn, and with further *development* the company expects that hot forming will also be possible. Already formed *or moulded acrylics can also be* silvered.

Silvering of coloured forms of *the materials, of course,* gives a coloured mirror image. All the materials are unbreakable and lightweight compared with glass and the company believes that it is approaching an entirely new market in this field.

For industrial and domestic purposes, panels for heat and solar reflection can be supplied and the company states that *potentially the process may be* applied on site. The unbreakable nature of the polycarbonate mirrors allows the use of safety mirrors in warehousing, at street corners, for security and other applications in high risk areas.

AGP is at present building a network of wholesalers to stock the flat sheet acrylic and PVC for domestic and interior decorating purposes.

Drying by radio frequency

RADIO frequency equipment for the rapid drying of applied gummed sheets in the packaging, printing and other industries, is, says the maker, replacing conventional hot air and infra-red dryers.

Made by Intertherm, Blenheim Gardens, London, S.W.2, the equipment consists of a 3.5 kW radio frequency generator and electrode system, which rapidly raises the temperature of water-based adhesives, thus removing the water. Several gummed lines can be processed at a time, and it is stated that speeds of 100 feet/minute can be achieved depending on the weight of water to be removed.

Because of the selective nature of the high frequency technique, *only* the adhesive is dried, the paper carrier remaining at room temperature. The maker claims that this prevents cockling or shrinking of the paper.

The equipment can be fitted into existing coating plant and *occupies little more than one* metre along the travel direction, saving on floor space needed by other drying methods.

Extract *facilities* are provided and the conveyor system has a variable speed drive to adjust production rates. *Little heat is* emitted, improving the operators' conditions.

Radio frequency can be used for drying latex, starch, gum arabic and PVA.

This Bussmann 400-ton compacting press from West Germany has been installed at Brico Engineering, Holbrook Lane, Coventry, to expand sintered parts production. The press will compact parts up to 10 lb weight and 15 sq. in. surface area. After compacting, the component is heat treated from 30 to 60 *minutes, at temperatures ranging from 1,080* to 1,150 deg. C, depending on the alloy. These are usually ferrous and can have up to 40 per *cent. alloying content. Brico, known for* sintered piston rings for special applications (operating temperatures of 800/900 deg. C), *is increasing its product range—the three* gear wheels shown are for Burroughs office machinery produced in Belgium, and contain *intricate features such as fine splines.* They are in medium alloy steel of 40 ton/sq. in. tensile strength. The fuel pump eccentric is *for the V8 Rover engine and is in a medium* alloy steel, and will be heat treated and flash chromium plated. The lever, in 60 ton/sq. in. *tensile steel, is a highly stressed hydraulic* component for a tractor. The advantages of sintering are that precise alloying can be produced *and intricate details* moulded where forging or machining would be impossible. Over 42 per cent. of Brico's sintered parts are *exported.*

● COMMUNICATIONS

Centralised news

UPI *is* setting up a service to users which may be of considerable *influence* throughout the world of journalism through the next several years. In essence, *it is a* large computer-controlled memory system to which news stories from all over the world are fed and which extracts relevant details of the stories for display in a greatly abbreviated form in front of the editors responsible for a whole series of news sectors.

Stories filed by UPI correspondents and bureaux are fed automatically into the memory of the RCA computer system the service is using. The machine is *programmed* to *extract item* number, slug, first paragraph and length.

Abstracts of this type are then sorted and committed to teleprinter lines with outputs at the desks of senior editors. These key personnel can select any story which in their judgment will be of interest to the area they cover. At the touch of a button they can have the whole story displayed on a TV-type console *and, through* the attached keyboard, correct as well as add and delete, just as if they were wielding the proverbial blue pencil.

One this job is done, the corrected text goes back to storage in the computer for *dissemination* to clients in the newspaper and broadcasting industries.

Because of the way in which the news is handled, the final versions will be virtually free of typographical errors and UPI believes its new venture will mean a considerable saving in cost, particularly where users set *directly from* punched tape into type.

Initial operations begin in earnest next spring. For an unspecified running-in period, the computerised service will operate in parallel with the old manual wire system; but about a month is the anticipated length of the experimental working.

By the middle of 1972, m[...] the UPI wires will be linked [to] the computer centre, addi[...] to the primary national wire service which will pr[...] the guinea-pig working at [the] start.

Finding the wrecks

EXPERIMENTS with low light TV equipment designed by EMI during recent trials on the miniature underwater research vessel Pisces indicate that an important future exists for such units in salvage and deep-sea commercial work such as on drilling rigs.

Clear pictures have been obtained in "half-moonlight" conditions with the units, developed by EMI's Systems and Weapons Division of Feltham, Middlesex. They enabled scientists in the mother ship to see objects in front of Pisces as that unit was manoeuvring. The TV pictures were transmitted from the submarine to a buoy on the surface and from that by radio link to the Venturer. They [were] also recorded on videotap[e for] further analysis and recor[d].

Equipment such as this s[hould] prove invaluable in the s[earch] for objects such as crashe[d air]craft or sunken vessels sin[ce the] camera can quickly scan large areas of the sea bed when visibility is poor.

EMI claims that the low [light] TV camera developed for such as was involved [in the] Pisces trials is the sm[allest] available in the U.K. wi[th] side dimensions of 128 x 152mm. *The light intensif[ier]* comes from an Ebitron which is some 300 times [more] sensitive than an or[dinary] vidicon.

● HANDLING

Moved on inverted castors

TO SIMPLIFY and speed the movement of fabricated ships' sections without using heavy and cumbersome lifting gear, the Haverton Hill division of Swan Hunter Shipbuilders has installed a total of 60 castors, mounted *in* an inverted position on the floor in three of the bays in the *fabrication department.*

Each castor, a low loading version, has a three-ton capacity, and is fitted with a 6-inch diameter cast iron wheel. Tapered roller bearings are fitted in both the wheel and the drop forged steel swivel head.

The supplier, Flexello Castors and Wheels, Slough, Bucks, states that not only is it possible to move the fabricated sections quickly when completed, but also to *shift the position of the un*completed sections to allow access for welding as the sections can be moved by the men on the shop floor without mechanical aids.

Sheeting down the beer

QUICK sheeting system for covering and securing the loads *on platform trailers has been de*veloped by Whitbreads Brewery, Chiswell Street, London, E.C.1. The claimed advantages include quicker turnround, better appearance and longer sheet life.

The system employs two-part *sheeting semi-permanently* mounted on the head and tail boards on the trailers. A patent has been applied for, but the company plans to make the system available to other users under licence.

The sheeting covers and secures the load by clipping webbing straps, sewn to the PVC *sheets, to short straps attached* to rods under the sides of the trailer. The shorter straps are adjustable for length and can be moved along the rods.

To unsheet, the buckles are released and the sheet drawn up *on to the load and rolled back* to the head or tail board where it is supported by rods which swivel round from the top of the boards. This enables unsheeting to be carried [out in] half the time taken for [conven]tional methods, and ensur[es] the sheet does not get d[amaged] by being folded on the gr[ound or] dragged across the load.

Load height can vary b[...] 21 inches on any one loa[d, and] the whole system can be [raised] or lowered by 30 inches f[or com]plete loads. Draw cor[ds ...] billowing on sloping loa[ds ...] arrangements are inclu[ded to] *keep the straps and she[ets tight]* if there is any slack.

● MATERIALS

Rival for stainless steel

SIX years' research i[...] rheology and subsequent [...] of the *full range of therm[...]* fluorocarbon resins has [...] the Plastic Coating [...] Company, of Swan Lan[e ...]hurst, Surrey, to dis[cover a] method of dissolving [...] called insoluble polymer [...]

This means that it is [...] to apply a single, no[...] coat of 0.005-0.008 inch [...] *to a suitably prepared s[...]* where, hitherto, this co[...] be achieved by numerou[s appli]cations of sintered or se[...] coats.

The company claims t[...] discovery must result i[n a com]plete reappraisal of the [...] of PCTFE coatings in [...] son with stainless steel [...]*tion.*

Leak-pro[of] pipe seal

HIGH strength imp[...] sealing joints on ma[...] cast-iron spigots and so[...] 3,000 yards of piping la[id ...] BP Llandarcy lubricati[...] are being made with t[...] mortar system offered b[y ...] Shrewsbury Road, Shifna[l].

Restricted space aro[und the] pipes made conventiona[l ...]ing materials impossi[ble ...] the pipes had to be w[...] as when laid they are [...] with three feet of bac[k ...] concrete.

The mortar, a blend [of] aggregate bonded with [...] *free epoxy resin, will* [...] damp conditions, is [...] applied, and can be sub[jected to] water pressure tests w[ithin ...] hours, states the make[r].

● COMPUTERS

Improved control of wind tunnel

THE EIGHT feet by eight feet mach 2.8 wind tunnel at the Royal Aircraft Establishment, Bedford, uses some 60 mega*watts of electricity under maxi*mum power conditions. Typical test runs last up to eight hours so that power costs alone are considerable.

The need therefore arises to run the tunnel as efficiently as possible and to *this end Honey*well Information Systems is to instal twin computers and peripheral equipment as part of a scheme to replace the present data handling instrumentation.

The new system will be able to perform on-line computations and display parameters of a test as *it proceeds*. Using a keyboard associated with a TV type display, it will be possible for the test supervisor to call for displays of "raw" or processed data in both tabulated alphanumeric and graphical forms to help make *decisions on what the future* course of the test should be. The same keyboard will be used to communicate with the computer during a test to allow *modifications* of programs and, at a later date, to specify func*tions for model attitude and* tunnel control.

Two Honeywell 316 mini computers will be used, one with a 4k store operating in real time collecting and recording data from the tunnel and passing it to the *other with 16k store* for processing.

● FLUIDICS

Take-over from Plessey

A telling comment on what can happen after companies rush into "fashionable" research is contained in the news that Plessey has decided to opt out of fluidics, except for such specialised high-*pressure and high-temperature* applications as may be required in the aerospace field.

Five years ago, fluidics was new buzzword and from across the Atlantic came claims that in the next several years, the market for fluidics systems there would build up to "several billions of dollars," eating deeply *into* business for electronic controls.

Now, after a lot of research and development, but comparatively few actual applications outside some extremely interesting military work on helicopter and *conventional aircraft stabilisation* controls, the number of competitors has thinned out considerably.

Plessey has decided to sell its interests in industrial fluidics at Ilford, Essex, to Mr. Niel Sykes, *previously managing the fluidics* business.

Manufacture and marketing of a range of components will continue, all in the low temperature and low pressure area and the operation will come under a new company set up by Mr. Sykes under the name *British Fluidics* and Controls, to be based ultimately at Hainault, Essex. All existing stock, tools and literature have been taken over and production will continue—some items being made under licence *to the Plessey* company.

The new organisation will aim at supplying complete system *rather than* components and to provide a consultancy service in the field.

System will increase production

APPLICATION of a fluidic control system has converted a standard Herbert and BSA *capstan lathe to semi-automatic* operation. The lathe was machining small sintered iron automotive components at a production rate *of* 70 per hour, which was considered uneconomic.

Norgren Fluidics, of Shipston-on-Stour, Warwickshire, was invited to semi-automate the lathe, and devised a fluidics system which operates the saddle and cross feed automatically, *using a Kinetrol semi-rotary* actuator to drive the cross slide and an air cylinder to move the saddle.

Simple $\frac{1}{8}$ inch inside diameter sensor tubing in drilled blocks monitor the saddle and cross slide positions, and signal the fluidic control system.

Production of components has *increased from 70 to 300 per* hour, and several other advantages were obtained: it became possible to use female operators; permitted tolerance (0.003 inch on $1\frac{1}{8}$ inch bore) was more easily held: carbide tool life increased *because of* the even tool feed; introduction of compressed air enabled other functions to be incorporated (e.g. suds on/off is now automatic).

● TRANSPORT

Faster mine locomotives

WITH distances from the shaft bottom to the coal face of up to six miles in many coal mines the total amount of work/hours lost per man *shift* in merely getting to and from his work justified investigation of faster transport.

At Easington Colliery, South Durham, Thermit-welded continuous rails were laid in 1967, and 100 hp locos in tandem *hauled custom-built* manriding cars with hydraulic automatic emergency brakes at speeds up to 18 mph. The rigid wheel base design of these locomotives caused sideways oscillation when higher speeds were attempted.

The Hunslett Engine Company, Leeds LS10 1BT, was asked to design and build some twin engine 200 hp diesel hydraulic bogie locomotives to haul manriding cars carrying up to 126 men at 25 mph. The first two will be put into service shortly at Easington Colliery, and will be capable of operating safely on an in-bye journey of six miles of continuous descent at an average gradient of about 1 in 35 and including stretches as steep as 1 *in 17.* They will have a transmission sufficiently flexible to permit handling materials trains between shift changing periods.

Braking is by a new spring operated fail safe arrangement and operates in conjunction with a *similar system on the train. It* was designed by the Mining Research and Development Establishment.

The gauge for the locomotives is 3 feet, but they can be built to any gauge between 2 and 3 feet without alteration to the overall dimensions. Weight in working order is 21 tons, length over buffers 25 *feet, maximum* height 6 feet and maximum width 4 feet 6 inches.

● ELECTRONICS

Switches to standby

EMERGENCY generating equip*ment is essential in locations* such as hospitals and ships and in all cases where an interruption of the power supply can give rise to *losses*—computer files are a good example, can cause damage to vital equipment, or create a hazard to life and limb.

The functions of monitoring the mains voltage, automatic start-up, monitoring of running and stopping, including all *functions* performed with respect to time, can now be catered for by two plug-in printed circuits intro*duced by Brown-Boveri of Glen* House, Stag Place, London, SW1. The sequence of functions and the timing can be altered by using different modules.

The circuits will operate between minus 10 deg and plus *50 deg C. The boards are* of epoxy resin and the components are coated with a highly elastic synthetic film. Gold-plated plug contacts, temperature compensation, protective diodes and stabilisation of the input voltage are also incorporated.

Building and Civil Engineering

Land must be reclaimed

BRITAIN needs a new county—the Thames Estuary—to give breathing space for planning reform, Mr. Norman Royce, an architect, told the Faculty of Building's first annual conference at Birmingham University this week-end.

Mr. Royce, a past president of the Institute of Arbitrators, was speaking on "New controls for new counties" at the conference, the subject of which was "Implications of Statutory Controls."

He told the conference that Britain is losing land at the rate of 60,000 acres a year because of erosion and development. The only chance we have to iron the anomalies out of our planning system is to start afresh on new land." The Thames Estuary offers 600 square miles which could be reclaimed as a series of islands.

Connected by bridges and tunnels, this new land would be Britain's answer to Rotterdam's Europoort. The cost of the scheme would work out at between about £3,000 and £4,000 per acre, Mr. Royce maintained.

He went on to outline priorities for planning administration after local government reform in 1974, and said that he believed the districts into which new counties could be divided should be kept small in order to minimise the "power struggle" that has developed between many present local authorities.

Only a "superman" could remember the "proliferation" of controls which affect buildings, Mr. Ronald Fielding, another private architect, told the conference during his talk on "More or Less Control?".

To help designers, he said, more experts should sit, by co-option if need be, on local planning committees, and central machinery should be set up for streamlining planning decisions. Mr. Fielding added that bodies like the Royal Fine Arts Commission should be limited in their power to overrule councils.

"Too little attention is paid to the control of the total environment; insufficient control of materials; escape and fire regulations are generally not specific enough to provide adequate safety.

A fourth point made by Mr. Fielding was that little was being done by designers for the chronically sick and disabled.

In his talk on "Councils, Controls and Safety," Mr. R. Martin Silber, the district surveyor of Lambeth in London, maintained that safety was the missing member of the building team. "During the last 20 years, a fundamental change has taken place in the factor of safety in construction."

The total content of building used to be much greater; walls were thicker, and there was much more timber in floors and roofs.

Demands made on the building industry to-day are beyond its real capacity, in materials and labour, he asserted. With bonus and incentive schemes and the lack of skilled labour, it is impossible to ensure adequate workmanship, Mr. Silber told the conference.

"The greatest single reduction in safety is due to the lack of lateral stability in new buildings. Crosswall construction has the flimsiest internal partitions, and few buildings to-day have any substantial wall inside," he said.

This country's construction professionals — architects, surveyors and engineers—will go into Europe ignorant of vital codes and standards, unless the whole building industry backs a crash education programme, claimed Mr. George Atkinson, head of the Building Research Station's design division.

The Faculty of Building is a voluntary forum for the building industry with a membership of around 2,500 senior architects, surveyors, engineers and contracting company directors. Set up in 1946, the forum holds two lectures a year; one at the House of Commons and the other at the Royal Society.

This 60-foot tower supplied by Ferranti to the Central Electricity Research Laboratories at Leatherhead, Surrey, has been produced from hot pressed glass fibre reinforced polyester mouldings made by Permali, of Gloucester. The 16½-foot-diameter tower is being used for very high-voltage impulse testing. A total of 104 curved mouldings, each 7 feet by 4 feet and weighing 204 lbs. have been used, and it is claimed they will withstand wind gusts of up to 100 m.p.h.

Clad with exposed aggregate

[illegible]FTEX, a concrete surface retarder manufactured by Chemical Building Products (part of [illegible]seco) has been used to expose aggregate on the cladding panels of the £4.4m. 20-storey Kodak head office at Hemel Hempstead, Herts.

Over 3,000 precast concrete cladding panels were manufactured by the Atlas Stone Company for the 250 feet high tower block and car park. When it opens in September, the 250,000 square foot building will house a staff of over 700.

Constructed from reinforced concrete, using 50,000 tons of concrete and 775 miles of steel reinforcement in the frame, the building is clad with moulded concrete panels each one-storey high and two metres wide.

These panels were manufactured from white cement, to which Conplast 211—a water reducing admixture which produces a highly workable concrete suitable for aggregate exposure—was added.

Formulated to be non-staining so that the natural colour of the exposed aggregates is not impaired, [illegible]ex has been developed to retard the setting and hardening of surface cement paste by delaying hydration. The bulk of the concrete is not affected and will set and harden in the normal way.

[illegible] standing car park are also part of the overall job.

The first stage of the work is scheduled to be handed over in February, 1972, and the final completion is planned for late August of the same year. L. G. Mouchell and Partners are the consulting engineers and the consulting services engineers are Whitbread staff.

Glasgow exchange to be rehoused

ONE of Glasgow's central area telephone exchanges—Douglas—is to be rehoused in a new four-storey building in Renfrew Street. The building, to cost about £350,000, will replace the existing exchange in the nearby post office.

Planning and design work in the initial stages was carried out by the Department of the Environment, Edinburgh, and Covell Matthews and Partners, nominated architects, who are also responsible for the working drawings and site supervision. The structural engineers for the project are Oscar Faber and Partners. The exchange will be a reinforced concrete-framed building, and is to be connected to the recently-announced GPO cable tunnel via an underground turning chamber at the back of the building.

[illegible]ast London [illegible]oft drinks [illegible]actory

[illegible]ITBREAD and Co. has [illegible]ded Ford and Walton a [illegible] contract for the erection [illegible]a commercial development [illegible]adjoining office block on a [illegible] near Beckton Gas Works, [illegible]don, E.6.

[illegible]ork has just started on the [illegible]ect which is mainly devoted [illegible]e production and bottling of [illegible] drinks. The development [illegible]prises a commercial development including a single-storey [illegible]ufacturing and warehousing [illegible]ling of steel-framed con[illegible]tion to measure 210 by 75 [illegible]es.

[illegible]ls will be attached to a [illegible]-storey precast concrete [illegible] block connected to a [illegible]her three-storey office build[illegible]. External works such as [illegible], drains and a large hard-

Contract in Labrador

BIC Construction Company (Balfour Beatty group of BICC) has received a $270,000 contract from the Iron Ore Company of Canada, to renew the overhead catenary system for its existing automatic train operation at Labrador City and provide additional catenary for an expansion of the system now being built. The total length of the railway is some 17½ miles and the system operates at 2,300 volts.

The work on the overhead catenary system is being undertaken in accordance with the recommendations of the Traction and General Division of BIC Construction. The system operates at temperatures between −60 deg. F to 90 deg. F.

Structures are being designed by H. G. Acres, consulting engineers, of Niagara Falls, Canada, who are the consultants associated with the mine expansion project. The conductor system and hardware will be supplied from Canada and the U.K.

Installation will be undertaken by a Canadian contractor later this year under the general supervision of BIC Construction engineers, and the work is scheduled to be completed by the end of March 1972.

Liverpool students residences

ROOMS for 210 students at Liverpool University's Carnatic Halls of Residence are to be built under a £225,000 order placed with Holland Hannen & Cubitts (North West) calling for six linked three-storey blocks.

The Lowton-Cubitt method of building has been adapted to provide students with a private bedroom and shared lounges, kitchens and toilets, in this phase 3 of the project.

This is the first time that this method has been used for this type of accommodation. It will also be used for nurses' homes at Arrowe Park Hospital, Birkenhead.

Chelmsford offices

THREE contracts worth a total of £655,000 have been secured by Gilbert Ash, including a £265,000 order from Ravenseft Properties for a 5-storey office block at Chelmsford's central area redevelopment.

The new offices are being built on top of an existing 2-storey shop and office development which Gilbert Ash completed in May. The architects are Kenneth Wakeford Jerram Harris.

At Airdrie, Scotland, the company will carry out a £200,000 shop fitting contract on the Fine Fare store in Graeme Road. Gilbert Ash Northern Ireland is building Strabane County Secondary School under another £200,000 contract awarded by Tyrone Education Committee. The architects are W. H. McAllister and Partners.

Brighton supermarket

AFTER gutting an existing store at London Road, Brighton, a new supermarket is to be created for the Fine Fare Group by Costain Construction.

Work on the £372,000 contract has just begun for completion in a year. The installation of new floors and all services is included in the scheme, which also involves a two-storey extension to the premises.

The supermarket will cover the ground floor with offices and storage facilities above. Architects are Whittaker Skidmore Step and Partners.

Homes to be modernised

ANOTHER 300 pre-war houses are to be modernised for Carlisle City Council by John Laing Construction under a £370,000 contract. Work has just started on the one-year scheme.

Improvements to the houses, on various council estates in the city, involving occupied and unoccupied 2 and 3 bedroom houses of different designs, will generally comprise electrical rewiring, partial central heating and kitchen, bathroom and toilet improvements.

Laing is currently modernising 250 pre-war homes in the city under another £250,000 contract.

Offices and natural gas pipeline

CONTRACTS for an office precinct and a natural gas pipeline have been awarded to members of the Laing group. In Edgbaston, Birmingham, Laing Development Company's £1.75m. first phase of an office development, called Duchess Place, within the Calthorpe Estate, has been started.

It will be the first main scheme available for letting in this area since the abolition of office development permits in the West Midlands.

Phase 1 will comprise two linked four-storey blocks providing some 35,000 square feet of air-conditioned accommodation, when completed in the autumn of 1972. The second phase, to provide some 50,000 square feet of space, is planned to start next spring.

Main contractor for the initial phase is John Laing Construction, and the building will be of reinforced concrete frame construction with white ribbed concrete elevations with contrasting dark brickwork.

Watkins Gray Woodgate International are the architects, Ove Arup and Partners are the consulting engineers with R. W. Gregory and Partners, the mechanical engineers.

Meanwhile, Watney Mann (Midlands) has given Laing the contract for £1m. worth of new premises including offices, warehousing and a garage, to form a new headquarters complex on a 15-acre site owned by Watneys. It is the Lodge Farm Industrial Estate at New Duston, Northampton. Work is due for completion by end-1972.

A 22-mile-long pipeline to connect the new natural gas terminal at Theddlethorpe on the Lincolnshire coast with the No. 7 Feeder at Hatton, east of Lincoln, is to be laid by Laing Pipelines under a £1m. order from the Gas Council.

The new terminal is to be connected to the Viking Field in the North Sea by offshore line. Work on the new job is scheduled for completion by next March.

South bank TV centre on schedule

LONDON Week-end Television's new television centre at King's Reach on the South Bank is progressing on schedule and the first programmes are expected to be transmitted from the 26-storey building by May next year.

One of the centre's studios will be the first of its type in the country to have an auditorium built-in to the wall with seats for 250 people and accommodation for a further 200 removable seats.

Situated near the Thames between Waterloo and Blackfriars, the complex—to be one of the most advanced colour studios in Europe—is an integral part of the Greater London Council's South Bank development plan.

The centre, which should be in production by August next year, will replace LWT's present scattered locations in Wembley and the West End. Completion of the tower block is expected by the end of the year. At the moment it is at the eighteenth floor.

Architects for the scheme are C. H. Elsom and Partners; the structural consulting engineers are Clarke Nicholls and Marcel; mechanical and electrical consultants are Carrier Engineering; acoustic consultants are Sandy Brown Associates, and the main contractor is Higgs and Hill Building.

Simple unit for office comfort

MANY offices are now being equipped with suspended floors of the type developed for computer rooms.

Normally, these floors are installed to give easy access to services, but the Fisher Group, of 28 Pickford Street, Birmingham, B5 5PY, has now announced an air-conditioning unit that uses the underfloor space as a convenient, ready-made ducting system.

Most units of this type have their outlets at the top, so that the air is distributed through a suspended ceiling. If floor-level oulets are required, ductwork is needed to bring the air down to ground level, adding to the cost and reducing the efficiency of the installation.

The free-standing unit is positioned above a duct, and the air is blown directly into the cavity. Grilles can be installed in any part of the floor where an outlet is needed. According to the company the efficiency of these units is such that a single one, measuring only 7 feet 9 inches high by 36 inches wide by 14.5 inches deep, will cope adequately with the air-conditioning needs of areas up to 800 square feet, depending on the heat output.

Standard airflow is 1,200 cubic feet per minute, and at an input air temperature of 85 degrees F, the unit will extract heat at the rate of 23,400 btu per hour. Efficiency falls only very slowly with increasing air temperature.

Main advantages of the system are a complete absence of visible ducting, flexibility, since the units can be easily moved to different locations, and the option of incorporating heating and humidifying.

The units are also said to be quiet and easy to maintain.

District heating in Southwark

TWO mechanical services contractors have just received orders to provide complete mechanical services in two local authority projects in London.

Haden Housing Systems (part of Haden Young) has been awarded a £400,000 order to supply complete services to the Rouel Road development being carried out for the London Borough of Southwark by Wates.

The development consists of 785 dwellings in 33 low-rise blocks, and district heating, hot water, cold water and sanitation are to be provided to all the dwellings.

Work on the three-year job should start later this year. J. Roger Preston and Partners are the services consulting engineers.

Under the second job, Carrier Engineering Company is to design and instal air conditioning, mechanical and electrical services for the London Borough of Hammersmith's Town Hall extension.

The air conditioning system has been designed to recover the heat given off by the lighting, office equipment and from the staff themselves, which otherwise would be wasted, and use this to warm the building in cold weather via the air conditioning system.

Including open-plan offices, the new Town Hall is said to be the first local authority building in Europe to have a heat recovery air conditioning system. The main contractor is Willett Contractors.

Speeds up floor laying

A SURFACE damp-proof membrane that can be applied cold over trowelled or power-floated concrete floor slabs can be used to avoid the need for a loading screed.

Heviprufe will withstand both moisture and vapour and, if applied where a loading screed has been chosen, permits floor coverings to be laid only 48 hours later, using conventional adhesives.

An effective damp course can be obtained in improvement work by applying the material over old concrete, quarry tile and flagstone flooring. There is no appreciable alteration in floor levels after treatment.

The material is a product of Thomas Ness, Nantgarw, Cardiff, Glam., the chemicals group of the NCB.

Award for innovation

AN award intended to promote and recognise innovation in concrete construction has been announced by the Concrete Society.

It will be made in recognition of a new concept in the design or construction of a whole or part of a structure, a new material or testing method, a novel use of plant, an original approach to design or any other feature which represents a significant advance in any field of concrete construction. It will be a condition of the award that the innovation must have been incorporated in at least one completed structure or must be available and in use in Britain.

The judges may also award Certificates of Commendation to suitable entries. It is intended that the first award will be presented during the 1972 Annual Concrete Society Convention in Blackpool next May. Nomination forms and details may be obtained from the secretary, Concrete Society Award for Innovation, Concrete Society, Terminal House, Grosvenor Gardens, London, S.W.1W OAJ, and nominations for the 1972 award must be sent by October 14, 1971.

Opencast mining by Manitowoc

TWO Manitowoc 4600 draglines have been ordered by Ruddock and Meighan, civil engineering contractors, from A. Long and Co., of Wembley, Middlesex, sole U.K. distributors.

The draglines, to be delivered this month and next, will be equipped with 7-cubic-yard Esco buckets and are to be used, with another Manitowoc bought last year, on a new National Coal Board opencast mining contract awarded to Ruddock and Meighan at Nachshivan, near Towlaw, Co. Durham.

About 16m. cubic yards of overburden will be removed by the three machines in the production of 575,000 tons of coal, at the rate of 4,000 tons a week. The draglines, manufactured by the Manitowoc Engineering Company, Wisconsin, U.S., have a capacity of 36,000 lb when fitted with a 120-foot boom and 7-yard bucket.

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MONDAY SEPTEMBER 6 1971

A talk with Mr. Lynch

TO-DAY'S meeting between the British and Irish Prime Ministers inevitably has to bear a great weight of public expectation. It is not too melodramatic to call the present situation desperate and it is therefore understandable that a "summit" meeting between any of the main parties involved should immediately become the centre of everyone's hopes and fears. The Heath-Lynch meeting cannot, unfortunately, sustain any such burden. At this moment Mr. Heath and Mr. Lynch have very little room to manoeuvre and it would be unwise to hope for anything like a dramatic breakthrough in their relations. What is, however, possible—and, indeed, essential—is an understanding between the two men that they are agreed on certain central principles—or rather pairs of principles—and that they are prepared to uphold these against all comers.

Status of Ulster

The first, and most important, of these pairs concerns the status of Northern Ireland. There will be no peace in Ulster while Protestants fear and Catholics hope that the British Government intends to hand over the Province to Dublin against the wishes of the majority. This has often been stated by both Conservative and Labour ministers but it will bear repetition by Mr. Heath; and an acknowledgement by Mr. Lynch that he understands and does not challenge it would be even more helpful. On the other hand, it would be both unwise and unrealistic on the part of Mr. Heath to pretend that Mr. Lynch is not entitled to put his views about the internal situation in the North to the British Government and to be listened to with respect.

The second pair of principles is concerned with the political situation in Ulster. It will be hard for Mr. Lynch to accept this, but Mr. Heath must try to bring him to see that in present circumstances the destruction of the Stormont framework by direct rule from Westminster or by some other means would be a recipe for civil war. It may at some later date become the least of the available evils, but since it would certainly provoke the Protestants to take the law into their own hands, the British Government cannot be expected to embrace it at this stage. That does not mean, however, that within the Stormont framework radical changes cannot be made. They can and should. Commonsense as well as necessity dictates some radical shift of real power towards the Catholic minority and Mr. Heath can at least indicate that he realises this and proposes to see that it is put into practice. He will, no doubt (with Unionist reactions in mind) be inclined to play these cards very close to his chest, but the more explicit and public he finds it possible to be, the more help he will be entitled to expect from Mr Lynch.

Containing IRA

This, of course, is where the third set of principles comes in. If Mr. Lynch can be shown that Mr. Heath intends to see that the reasonable demands of the Catholic minority in Ulster shall be met by peaceful means, there is no good reason why he should not condemn those who resort to the gun, or attempt to control them in so far as they operate from within the Republic. It is probably no use expecting him to intern IRA suspects on the spot, simply on the basis of a private, long-term, political promise from Mr. Heath. But at least, with such an assurance in his pocket, he could take more risks both in what he says and in the kind of measures he takes to limit IRA activities. The corollary of this is that Mr. Heath should give his own reassurances about the security situation. Internment cannot be undone, though the numbers kept in detention could probably be reduced. The essence here is that the British army should continue to hold the ring and that it should be seen to be impartial. Pressures for a "third force," or Protestant militia under Stormont control, are understandably alarming Catholics and if Mr. Heath can give Mr. Lynch to understand that he will resist them, that would be one of the most helpful contributions to better understanding that he could make.

Going through the motions

FOR much of the time the TUC will just be going through the motions at Blackpool—and in a highly predictable manner at that. Most of the main themes and no doubt many of the speeches will be indistinguishable from last year. The overall tone, though, may well be more strident. Last year, the TUC did not yet really know just how much or how little influence it would be able to bring to bear on the then new Government. It may have had its suspicions; now these have been confirmed. The unions have found that they carry very much less weight than they did while Labour was in power.

Firm stand

The Government has stood firm on its industrial relations legislation and what a year ago was an election promise is now an Act. The unions have seen that the Government has been prepared to stand up to strikes in the public sector in order to try to get the rate of wage settlements down. It has not attempted to lean on private employers in order to get strikes settled. Meantime, the topics which preoccupied the TUC at last year's get-together are still very much with us.

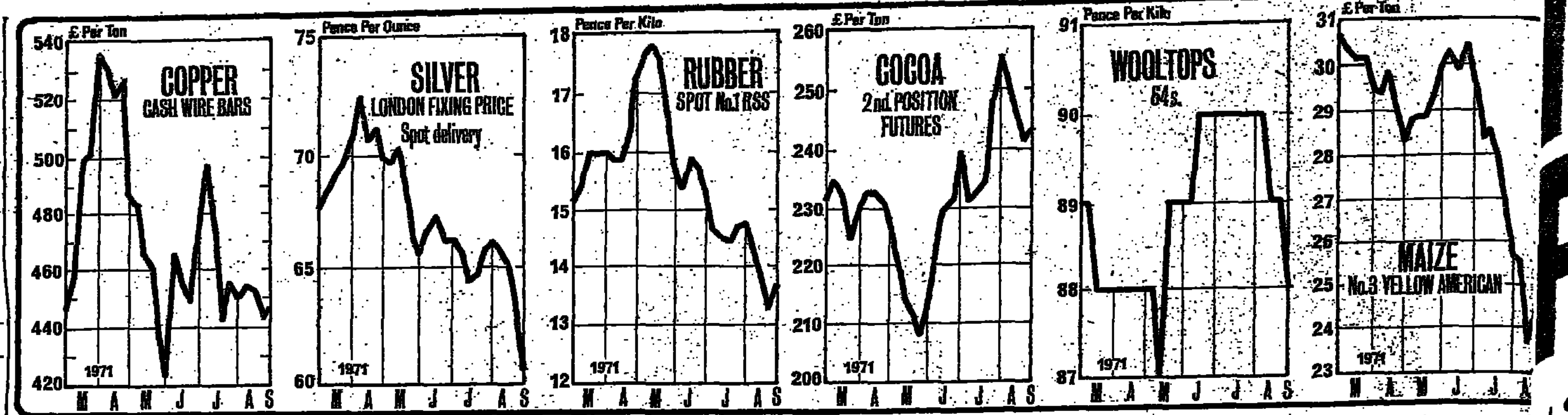
The concern then expressed on unemployment will be expressed more bitterly this time round now that the number of jobless is substantially greater. There will be the familiar complaints about the rate at which prices are rising coupled with opposition to pay restraint. Now that terms have been agreed for Britain's entry into the EEC, the TUC will register its anti-views since it is highly unlikely that the swing in favour of entry which has been discernible in the country will make itself felt at Blackpool. The delegates will after all come there with their mandates.

The problems which the TUC faces as an organisation will be best illustrated by the debate on the minimum wage. It has been campaigning for some time for a minimum wage of £16.50. After a study by the TUC Economic Department the General Council decided some 10 days ago that this figure should be raised to £18. Meantime, however, the Transport and General Workers Union has pushed the demand up to £20. Presumably this latter figure will now be accepted as the target only a few days after the TUC opted for the lower one. This merely shows the way in which the left-wing unions can in many instances sway the issue irrespective of the practicality of their views.

Whether they will be able to do just that when it comes to the question of registration under the Industrial Relations Act remains to be seen. The TUC policy agreed in February at Croydon laid down that unions would be "strongly advised" not to register as a first step of non-co-operation. But the Left-wing are trying to force the TUC to "instruct" member unions not to register. If this were to go through, unions which defied this ruling—as some of them will certainly do—would lay themselves open to penalties including expulsion. There is thus the possibility of a major split.

Prices and incomes

The one subject which will probably hardly be mentioned at all is the attempt to bring Government, the CBI and the unions together again to talk about prices and incomes in Neddy. The Government has indicated that it does not wish to keep the unions at arms' length if there is any chance that a reasonable basis for discussion can be established. Some trade union leaders are anxious to get back to a situation where Government will take their views seriously into account in framing policy. But here there is a very long way to go and the Government is certainly not anxious to force the pace. It is thus a good thing that the one subject of potential practical significance will not really be talked about in Blackpool.



COMMODITIES REVIEW

BY ROBIN REEVES, Commodities Editor

Currency confusion sends markets lower still

THE world currency crisis has left most commodity markets in a more depressed state than ever. The mid-July to early September holiday season tends, in any case, to be the quietest time of the year. And with activity at a low level, markets are liable to drift lower. But the floating of the dollar, the imposition of the 10 per cent. surcharge on U.S. imports, and subsequent changes in parities of a large number of currencies, has reduced business to a very low ebb indeed.

Commodity traders are of course used to dealing with uncertainty. Taking a quick view of the likely consequences of sudden crop failures, strikes and so on, is part of their stock in trade. But ever since the war the financial background against which they have operated has been one of fixed exchange parities. The floating of the world's major currencies has therefore added a new dimension to the list of uncertainties, a dimension which is going to take some getting used to.

Import surcharge

Certainly, since the crisis broke three weeks ago, there has been a general tendency on the part of producers, consumers and speculators alike, to sit back and wait for things to settle down before entering into fresh commitments.

But currencies have not been the only difficulty. Equally important has been President Nixon's 10 per cent. import surcharge. By and large, imports of food and raw materials are not affected directly: though there are exceptions — lead metal for example. But there is bound to be an indirect effect.

Assuming U.S. import demand for manufactured products is reduced, then by the same token there will be a cut in demand for raw materials going into products which would have been made for export to the U.S. market. In these circumstances, anxiety over the future of world trade in manufactured goods arising from the U.S. surcharge is far from irrelevant to commodity markets.

In the last analysis, the demand for, and price of, primary commodities is dependent on the health of the American and European economies. Even before the most recent troubles, markets were reflecting the effects of the economic recession in the U.S., not to mention the stagnation of the U.K. economy and difficulties elsewhere. Therefore, the ultimate aim of President Nixon's measures—economic expansion and growth—is what commodity markets need most, if they are to recover from their present generally depressed levels.

This is particularly true of metal markets, which, with few exceptions, are plagued by poor demand and surplus stocks. London Metal Exchange copper stocks, for example, are at an all-time high of well over 100,000 tons.

The copper market has in fact had plenty to think about. Earlier in the year, it was subject to a speculative boom which lifted prices by over £100 a ton from the year's lows, before falling back to around present levels. The main reason for the upsurge was the impending strike in the U.S. copper mining industry, the world's largest, which started as expected on July 1.

But unlike 1967, when the U.S. copper industry was strike-bound for nine months, resulting in 1m. tons of lost production and prices topping over £800 a ton, this stoppage has proved short-lived. Since the end of July there has been a steady stream of settlements by individual companies, and output of the industry is now getting back to normal.

The same may not be true of Chile, which has been having difficulty in meeting its export commitments. How far this can be blamed on "normal" strikes and purely technical problems and how much on the resignation of key personnel following President Allende's decision to nationalise the country's copper industry is not clear. Nevertheless, Chile is producing less copper than was promised.

But as long as stocks remain at present high levels and consumer demand shows no signs of recovering beyond hand-to-mouth purchases, copper prices are expected to stay around the present trading range.

Disappointing silver

The silver market continues to disappoint those who have been long forecasting a sharp upswing in prices. From their point of view, things have gone from bad to worse, with prices down to the lowest level since before the devaluation of sterling. Moreover, one of the reasons put forward for buying silver — a hedge against currency instability — has been finally exposed as wishful thinking. The fundamental cause of a silver price rise—the fact that world consumption is well in excess of mined production—still holds true. But sales from the mammoth stocks of silver in the world continue to torpedo any significant upward movement in values.

The tin and lead markets have also been depressed. Tin values have fallen to a level where they are subject to support buying by the International Tin Agreement buffer stock, while lead prices have fallen particularly sharply in recent days due to the withdrawal of producer support buying on the London Metal Exchange. Although zinc values have risen, this has been achieved only by heavy cuts in output. Similar big cutbacks by aluminium producers have not yet managed to bring any buoyancy to a poor market.

Producers of other metals like antimony, bismuth and cadmium have been forced to cut their official prices to consumers on long-term contract. Nickel and platinum producers are holding their official quotations, but the parallel free markets are both selling at a discount. In short, the whole of the metals sector awaits a solid revival in consumer demand.

To turn to some of the food commodities: prices on the international grains market have been showing remarkable weakness. This time last year, prices for all grains were surging upwards under the impact of a poor European harvest, production cutbacks, and disease damage to the all-important U.S. maize crop.

This summer, exactly the reverse has happened. Farmers responded to the price rises by increased plantings and most crops throughout the Northern Hemisphere look more than adequate. Despite a renewed disease scare in the early summer, it is now clear that the U.S. maize crop, far from being damaged, will break all records. In the absence of some last-minute harvest disasters, world supplies of foodgrains, and feedgrains for livestock, look more than adequate.

The cocoa market reflects better than most the low level of activity brought about by the currency crisis. The months of August and September are almost always a time of considerable excitement in the market, with the West African main crops imminent and speculative buying and selling on crop forecasts at its height.

Minimal interest

So far, however, interest has been minimal. Speculators have had nothing to get their teeth into, since by all accounts the crops are developing normally and, unless conditions suddenly change, should provide supplies sufficient to meet demand. With a world surplus of production over consumption during the past year, any revival in prices seems more likely to be based on a marked improvement in demand; though new efforts are being made to establish an International Cocoa Agreement which will presumably aim to lift prices.

Certainly the latest International Coffee Agreement quota arrangements have this in mind. The past year has been a depressing one for many coffee producers after the boom conditions enjoyed in 1969-70. The global quota for all exporters during the coming year has just been fixed at the comparatively low level of 47m. bags, compared with the final quota for the past year of 49½m. bags. There are arrangements for export quotas to be increased if prices move above certain levels, but the extent to which this will happen is uncertain.

The export performance of coffee producers is becoming more and more influenced by the fact that the Agreement is due to be renewed in 1973. This means the possibility of obtaining a bigger quota. Every exporter will therefore be out to show that it can ship its entitlement and more; particularly Brazil, which has an option on more than a third of the world coffee market but does not always fill it.

The sugar market has been particularly inactive. The supply control arrangements of the International Sugar Agreement are keeping prices within a narrow range, though the market has been on the defensive lately because of the prospect of a bumper sugar beet harvest in Western Europe.

The statisticians argue that world consumption over the next 12 months is likely to exceed production for the second year running and could give rise to a distinct shortage in 1972. But for the present, there is enough in exporters' hands to meet requirements and the impending EEC surplus (the EEC is not a member of the Sugar Pact) suggests there could be more than enough available for the time being.

Rubber presents a particularly gloomy picture. Poor demand has inevitably been an important factor. But matters have been made worse by the decision of the U.S. to resume the run-down of its national stockpile, albeit at a reduced rate. The Malaysian Government has given intermittent buying support to the market but prices on the Eastern [...] have nevertheless fallen [...] lowest level since 1949.

The recent visit of a C[...] trade mission to Malays[...] resulted in an order for [...] tons of rubber and price[...] picked up a little in [...]quence. But it will tak[...] than this to put the [...] market on the permanen[...] to recovery.

Wool is also the obj[...] Government support—th[...] in Australia. The Aus[...] Wool Commission was [...] into existence last season [...] buying support to the co[...] auction sales, where pric[...] fallen to the lowest lev[...] over 20 years. The new [...] season got off to a dis[...] start last week with the [...] mission buying more [...] third of the offering at [...] sales in order to prevent [...] falling through the floo[...]

Synthetic substitutes

The currency situat[...] being blamed for the [...] demand, with some justi[...] since the yen was only [...] the week-end before the [...]ing and Japan is now the [...] single wool buyer. Ev[...] wool continues to suffer t[...] effects of a downturn [...] wool textile industry [...] further erosion of its [...] by synthetic substitutes.

The same is likely to [...] of another fibre, jute. [...] market has inevitably [...] more concerned with t[...] happy events in East P[...] the world's principal so[...] raw jute supplies. E[...] prices have come dow[...] the highest levels of th[...] but jute nevertheless [...] relatively expensive.

The general view is th[...] is more than sufficient [...] East Pakistan — the cr[...] planted before hostilitie[...] —and it is being harvest[...] doubt surrounds the mo[...] of supplies down to the [...] in view of the reported [...] up of bridges by Bangl[...] guerillas.

MEN AND MATTERS

Shakespeare's polyester playhouse

If you are one of those people who like old world pubs with exposed beams, and get furious when you discover they are made of plastic, then the man you should probably speak to is Mr. John Rogers, managing director of a family company which fits out pubs and restaurants in "period" styles for most of the big brewery chains. His latest exploit is do-it-yourself Shakespeare Globe Theatre kits, where he sells you a design for the shell, which you erect yourself, then sends you a complete prefabricated interior and exterior decor, in kit form, made from fire-resistant glass fibre-reinforced polyester.

Rogers, whose company, John Rogers (London), has been in this business for over 100 years, explains that it used to buy up old barns to get genuine old timbers and panels. But there are few old barns left to buy, and anyway, old timber is often a fire risk. So Rogers took beam moulds from a Jacobean barn, called the Barn of Bellswain, which was scheduled to go to the U.S. to become a steak house, but somehow never made it.

Rogers has teamed up with Mr. Gordon Frost, who used to be a "period" specialist at a brewery, to sell his Globe Theatres, using the same moulds as his normal pub business, but via a different company which the two have set up, the Shakespeare Globe Development Company. Rogers expects a complete complex—theatre plus shops, pubs, museums, conference facilities — to cost around £1m.

His design—the result of work done by Mr. Walter Hodges, who has written two books on the Globe—is, he claims, an exact replica of the second Globe Theatre, which functioned between 1613 and 1644. The first one was burnt down. The only difference is that the replica has a roof—theatregoers are not as hardy as they were.

Rogers expects North America to be the main market for his Globes. About three-quarters of his pub and restaurant business is export anyway, and he has just sent off the interiors for the Old English Pub being erected next to London Bridge, on Lake Havasu, Arizona. This pub is part of the English Village being built up there on an acre now owned, as a gift from the developers, by the City of London, and it has "Victorian, Georgian, Nautical Georgian and Elizabethan styles in it," says Rogers: "but none of your stockbroker Tudor."

Parting shot

If you ring 486 4301, the old London telephone number of the Consumer Council, you do not get the local operator, as usually happens with defunct numbers. Instead, you get a prerecorded message of a man saying, in a very angry tone of voice, "The Consumer Council has been closed down by the Government." The message then refers inquirers to a named official of the Department of Trade and Industry, and to Dame Elizabeth Ackroyd, who used to run the Consumer Council.

There is then an infinitesimal pause, and a quite different voice says "Thank you for calling—your message has been noted." I can only presume that this is some ghostly Government voice acknowledging the Consumer Council's message, still beaming out loud and clear from its grave.

Gott back

Czechoslovakia has got back one of its more valuable national assets. Top Czech pop singer Karel Gott was probably the country's biggest individual foreign currency earner, until he decided some months ago (as I then reported) to stay abroad after the Czech censorship complained about his allegedly "gloomy" songs. However, last week two officials of the Czech Ministry of the Interior met Gott in Munich, and the day after he returned to Czechoslokavia. I suppose the Czech Finance Minister must have told the Minister of the Interior that a bit of Gott's gloom would cheer him up.

Risk capital for Danger Man

It is still comparatively rare for merchant banks to invest directly in film-making, and film-making has not so far recommended itself as a suitable field for venture capital investment—at least by the City's venture capital specialists. So Midland Montagu Industrial Finance (a joint subsidiary of Samuel Montagu merchant bank and Midland Bank) is breaking new ground both for itself, and probably for the venture capital concept, in paying £65,000 for a direct equity stake (in true venture capital style) in a new television film series about the RAF Pathfinder Force during the Second World War.

The pilot film is already nearing completion, made by Toledo Films. The director of the series is Mr. Don Chaffey, who also did television film series like "The Avengers," "Danger Man," "The Prisoner," and "Four Just Men." Technical advice on the new series comes from Group Captain Hamish Mahaddie, who was a Pathfinder.

Midland Montagu says that the series "represents an attractive venture capital prospect," with "wide mass appeal and therefore sound commercial prospects." The vehicle for Midland Montagu's investment is a new company called Worboys Film Productions, which is handling the financial side of the series. On its board are two men from Toledo Films, a man from Global Television (which is doing world distribution) and in the two hot seats, two Midland Montagu men, to look after their investment. They are Mr. Neale Edwards, as chairman, and Mr. Peter le Mesurier, as managing director.

The series has not yet been sold to a British television company. But its backers feel that with the present nostalgia for war-time topics, it must succeed. And they have had some connection with television before—the parent Samuel Montagu was involved in setting up London Weekend Television.

This happened

An American in a hotel room in Bermuda phoned down to the receptionist and said: "How do I get out of my room?"

"Well sir, you go out of the door, turn left. . ."

"Now look," interrupted the American: "I'm in my room, right? There are three doors. One has 'bathroom' on it. One has 'bedroom' on it. The other has a 'Do Not Disturb' notice on it. So how do I get out?"

Observer

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INDUSTRIAL PROPERTY

Financial Times Survey

Caution is still the investors' watchword

By MICHAEL O'HALLORAN

To say that the industrial property market has regained a completely even keel might prove too optimistic a statement at the present time, but there is no doubt that the overall picture is much brighter than a year ago. The difficult period of the past three years certainly weeded out the many amateurs who attempted to climb upon what then appeared to be a lucrative bandwagon, and industrials are once again the province of the professionals. Although institutional and company attitudes were adversely changed by the sudden slump, and the market is still a long way below its best, at least there now exists firm guidelines which can be trusted. That, in itself, is a welcome step forward, even though the guidelines are a pale replica of the boom era. False heat generated by the boom took yields down to below 7 per cent. without very much regard to location. To-day, a developer is fortunate if he can negotiate an 8 per cent. basis with a first-class public covenant in a prime area. But at least he knows what to expect before arranging the deal. There is no longer any excuse for the kind of "burnt finger" situations which followed the market's swift deflation.

Why did it deflate? Very simply, the many new investors—particularly gross funds—urged themselves upon industrials without having the necessary property expertise. When their appetite was eventually and inevitably blunted, they all took stock of the situation, realised their mistakes, and naturally reacted too much in the wrong direction. Although the pendulum is veering back towards the middle road, caution is still the slogan of the day.

Inflation element

The once important inflationary element no longer has any place in a feasibility study of a new project. In short the deal must make very good commercial sense on current figures. Furthermore, a new finance source is liable to demand a high proportion of the equity—no matter how prestigious the covenant may seem, major company failures in the 1970's have made investment managers very wary.

Situation is therefore a key factor, for the importance of re-letting potential looms large. This is why so many refurbished London properties in mediocre locations—once the darling of the institutions—have fallen into disfavour. With time to contemplate the overall situation, finance sources are concerned with long-term values, reconstruction factors, etc. To achieve the prime rate, developers must now offer a really good new project which blends in with the communications network, has public company tenants at least interested, and shows a high initial yield on current rentals. In effect, this means that a property company can be hard put to show a satisfactory profit upon anything which gives much less than a 13 per cent. yield.

So where does this leave the industrial specialists? Actually, in a very fair position. Money may no longer be flooding in to support the developments at ridiculously low yields, but the supply is at least steady within easily defined limits. If the figures add up to a sensible deal, there are two alternatives available.

First, industrials can be regarded as trading property—selling on for a good profit to institutional investors. For the professionals, this is still a lucrative proposition. Secondly, the property can be retained within a company portfolio, using interim finance until the first rent review. Once again, this can make good sense if the yields are right. The rise in building costs alone should beat the inflation factor, disregarding the additional premium for good position and modern construction.

Inflation, together with a correct reading about its effect upon modern rental values, obviously provide the basis of many opportunities for lucrative development. And the opportunities do exist, possibly in as great a number as ever before, but with a more specialist application. Industrial development is an all-embracing description for a wide variety of deals, some of them a long way from the traditional interpretation.

As an example, look at the discount warehouses. With the abolition of Retail Price Maintenance, certain "industrial estates" could well become nothing less than bulk goods shopping centres. Planning can still present strange problems, but the potential is most definitely there. Furthermore, revision clauses—even rental based upon turnover—put this type of industrial development into a new and almost unfathomed category. On a square footage basis certain industrials could soon be recording higher rents than pertain in neighbouring, central area shopping developments.

Biggest headache

Planning, of course, remains the biggest headache of all. Despite the industrial growth of certain regions—particularly the North-West—London and the South-East is still the focal point for industry—and still a severely restricted area. Governments may try to seduce companies to development areas, but the stark facts of the matter are that manufacturers and distributors will pay very high rents (£1.20 per square foot has been recorded in the Ealing area) in order to stay close to customers. It seems to have escaped official eyes that pure space is by far the cheapest overhead, almost regardless of rent.

Unfortunately, Government opposition to new development in the South East is building up a long-term problem. Where industrial user rights exist, renovation is often the only solution, but to renovate old buildings within existing road patterns is to create the industrial slums of the future. This is a fact recognised by fund managers, who look askance at most "tart up" projects and demand particularly high yields. Even a straightforward replacement agreement would alleviate the problem.

With "property assets" being one of the most emotionally charged business expressions of 1971, ordinary purchase and development of land and/or buildings is not so easy as it used to be. A number of agencies are specialising in giving help to companies with underutilised assets, and a few organisations are taking the extreme course of turning themselves into what amounts to new property companies. British Anzani at Maidstone is a classic example.

During the next year, therefore, we may expect to see more direct development and management links between property companies and industrial groups. The benefits to both sides are obvious, for land and expertise need each other. Several examples of this pooling of interests have been shown this year, and many more are being negotiated. Although office projects on this basis have been fashionable for some time, the industrial equivalent is still in its infancy.

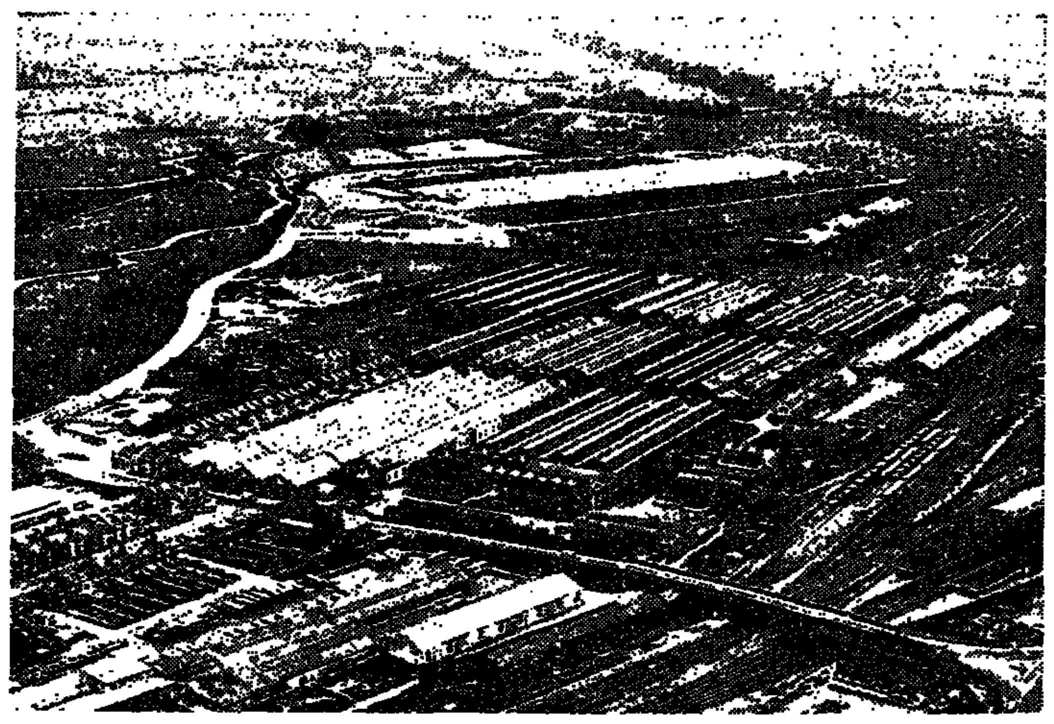
There are also special opportunities which exist because of communications or economic reasons. Internally, a close watch upon the motorway network and trunk road system is mandatory—at least, it should be. In fact, it is surprising how few companies bother to do their homework properly, and choice motorway sites always seem to fall to the same small group of lively companies. Much the same can be said of new towns, where there are many more interesting projects than the average developer would believe.

The Common Market—albeit something of a gamble for developers—is another neglected source of potential profit. Indeed, the apathy in some areas has been such that rents have actually fallen behind the right U.K. level. Certain parts of Kent look to be a cheap investment buy even for development companies, let alone the institutions. But, again, industrials are taking a poor second place—possibly unjustly so—to offices. If our entry into the Common Market becomes a reality, distribution space will surely be needed in much greater quantities, and much earlier, than office accommodation.

More expertise

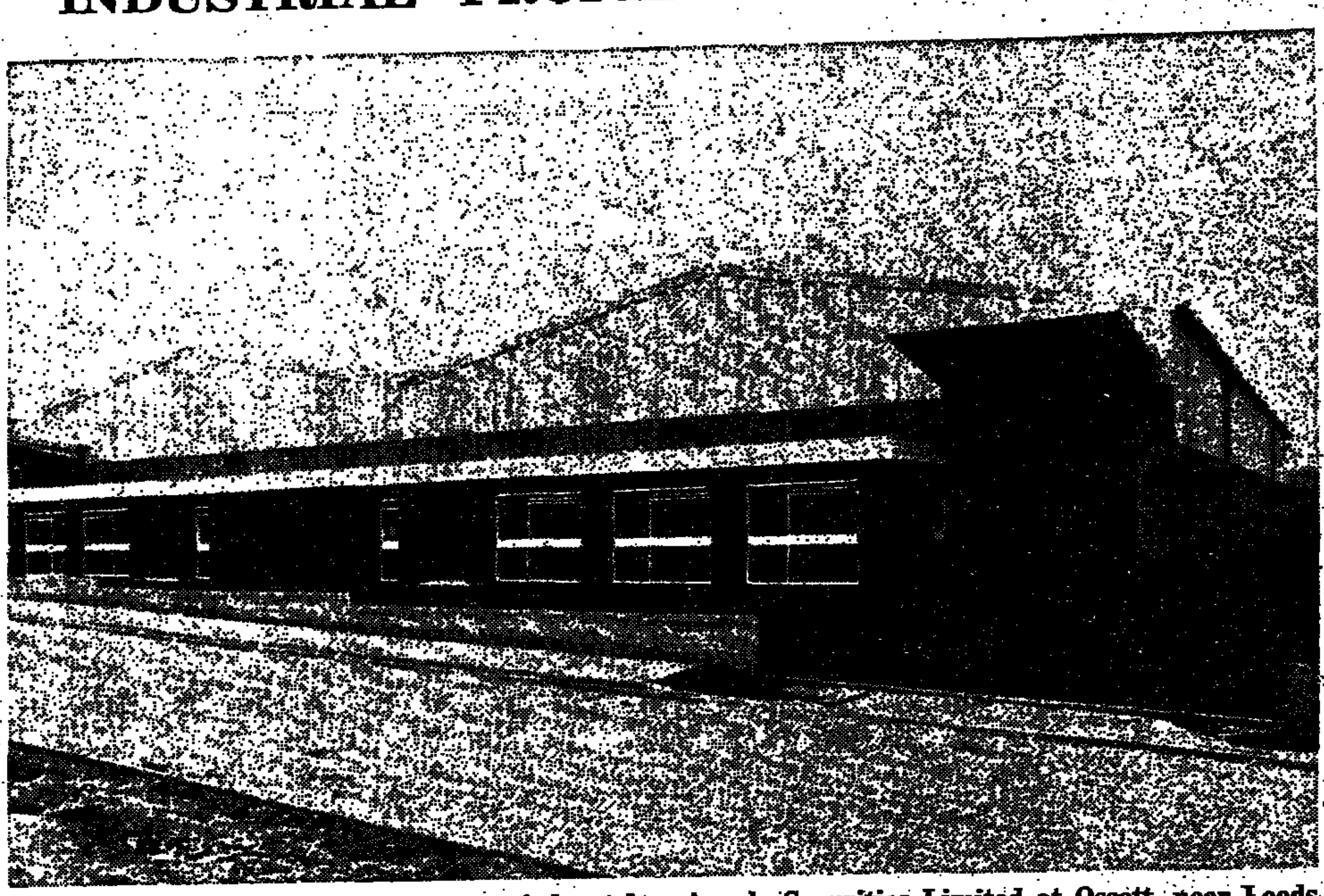
As with most other types of property, U.K. industrial developers have more expertise than virtually any of their overseas counterparts, and it is logical that these skills should be exported. Of course there are many difficulties to be overcome, but the rewards in less financially sophisticated countries could be truly enormous. Europe, although nearest, does present perhaps the highest hurdles, but the potential in Canada and Australia is both large and almost untapped. At present, these are markets for the pioneers, but no active international developer can afford to ignore them for too long.

To sum up, the industrial market has weathered the long storm and has emerged leaner but none the less effective. Individual positions may have altered, but the rules of the game are not so different. Industrials are not the poor relations of the office sector, but a completely separate entity. If treated as such, the future for next year is brighter than for some time.



A large industrial development involving 525,000 square feet of single storey buildings in a prominent site at Eastleigh, near Southampton. Renovation of the existing space has already begun, and the first units will be available for letting next spring. (Grendon.)

INDUSTRIAL PROPERTY II



A recent warehouse development, carried out by Argyle Securities Limited at Ossett, near Leeds, and let to Rank Zerox Ltd. The site is situated within a mile of the M.1 and M.62 Motorways.

Brighter picture on investment scene

By ANTHONY I. CONWAY

Raising long-term finance for industrial property, whether it is a factory unit or a warehouse, has always been more difficult than for shop and office premises which traditionally have been the favourites of most institutional buyers. Following the bull market period between 1967 and mid 1969, during which time good industrial property was relatively easy to finance at yields in certain exceptional circumstances of even less than 7 per cent., developers have been faced with a poor market. The supply of money for property investment generally diminished *in the face of other forms of* investment showing more attractive yields and additionally many potential buyers had too high a proportion of industrial property in their portfolios, and returned their attention primarily to the traditional first-class shop and office investment and *development fields.*

To persuade an institution to finance a speculative industrial development over the last two years has therefore been very difficult. Unless the proposed scheme is ideally situated, in a good growth area with ideal road and rail communications, *there is little chance of raising* speculative development finance. A large proportion of fund managers will only consider propositions in the Southern half of England. Some, I fear, take the view that a stagnating northern industrial belt commences just north of Watford and stretches right up into Scotland! This general attitude necessitates a highly critical appraisal of all the aspects of an industrial development project by the developer.

One of the many detailed considerations an institution will make in considering whether to finance a particular industrial development scheme, will be a close scrutiny of the devoloper's viability report or financial appraisal. The institution will expect to see figures of rental value that can be supported by current rental evidence and *not* figures based solely on anticipated rental increases guessed at by the developer, and the building cost figures on which the calculations are based will need to be supported by a quantity surveyor's estimate taking into account known future increases. Naturally the institution will want to ensure that a satisfactory profit margin exists in the scheme, *taking into* account realistic development costs and rental value figures, since if the scheme is wholly or partly speculative, as opposed to being fully prelet, the institution will almost certainly require a share in the equity as part of the overall long-term financing deal.

Costs increase

Over the last 24 months or so the industrial developer has had to contend with a very substantial increase in building costs, which in some places have increased by as much as 30 per cent. to 35 per cent. However, in many areas, the speed with which this substantial inflationary increase in building cost has occurred has not been met by a counter-balancing rise in rental values. There has not been any accompanying fall in the price that the majority of vendors will accept for the sale *of industrial land* with the result that developers' profit margins have been substantially reduced, and in some cases, drastically so.

Thus, in many instances, a viability report showing a satisfactory profit margin cannot be produced on known figures of cost and rent and the institution will reject the project for the purposes of long-term finance. The rapid inflation in building costs has naturally had its most serious effect on those schemes situated in areas with rental values at the lower end of the scale, say in the order of between 37½p and 47½p per square foot per annum with a less drastic effect being felt in those areas with a strong demand from occupiers and where rental values are over the 60p per square foot per annum level. I feel it probable that within the near future it will not be possible to lease first-class new factory or warehouse accommodation anywhere in the United Kingdom for less than 50p to 55p per square foot simply because developers will either not be able, or not be prepared, to put up buildings without a proper profit margin.

Harder line

The collapse of major industrial companies like Rolls-Royce further hardened the line taken by many institutions towards industrial property. There have been a number of ill-advised funds which have acquired property principally because it has been let to a so-called first-class covenant rather than because it has been a first-class real estate investment. That is to say, far too much attention has been paid to the covenant of the occupier whereas this should have been discounted, and the real judgment as to whether or not to buy should have depended on an experienced assessment of the quality of location, design and layout of the particular property. The Rolls-Royce affair, therefore, has not only shocked the nation, it has also made the fund manager even more wary of industrial *property and he is going to* make doubly sure that his property is not too specialised and that if faced with vacant possession at some stage in the future that there would be a good demand from other occupiers.

It is, perhaps, pertinent to point out that the industrial investment, always the poor relation, has been traditionally avoided because frequently obsolete buildings have been likely to stand empty and in industrial property there is a very high proportion of money invested in the bricks and mortar as opposed to the land. *Nevertheless, there are to-day* in many parts of this country traditional High Street shopping positions purchased by major institutions since the war, where new comprehensive and pedestrianised town centre development schemes and changing retailing patterns, have led to these previously 100 per cent. shopping pitches becoming secondary locations and now lying vacant. One wonders, therefore, if an investment in shop property is always quite as "safe" as many people have traditionally thought. How much can an off-pitch shopping position, where it is impossible to attract tenants, be worth on the basis of land value alone, in relation to its original investment value?

The result of a buying market already disenchanted with the low yields prevailing on industrial property in the 1968 era, of a stagnating economy with a number of major industrial organisations ailing or even going into liquidation, and a diminishing profit margin on industrial developments owing to the sharp rise in building costs without a proportional rise in rents, has led to a continuation of the very hard line approach of the Institutions towards industrial development.

In order to persuade them to finance schemes they have needed to be offered extremely attractive yields even for first class projects. The rate at which the best freehold industrial investments, in a prime location, built to high standards and let to first-class covenants on long lease with frequent rent reviews, have been sold over the past 12 months is in the region of 8½ per cent. net yield to the purchaser. This rate is of course for a completed project, however, if as in many cases the developer has been obliged to approach the Institution before commencing a speculative scheme, in order to raise long-term finance he has to add to offer as bait to the Institution in addition to the basic yield anything from between 25 per cent. to 50 per cent. of the equity in the entire scheme. This has usually resulted in a financing cost of between 9½ per cent. and 10½ per cent. and in addition if interim finance has been required this has cost the developer as much as 12 per cent. As a result of this, the prudent developer has had to reject schemes showing a gross earnings yield on cost of less than 12½ per cent. if he was going to finance them speculatively by way of outright forward sale or by way of a sale and leaseback at cost. Should a developer wish to finance a scheme by mortgage when built and let, then the project has had to show an initial gross earnings yield of more than 14 per cent. in order to recoup 100 per cent. of the cost, bearing in mind current industrial mortgage rates at around 11 per cent.

The future

What does the future hold in store for the industrial property developer? The recent impetus given to the economy by the Chancellor is the first real boost to demand for consumer durables for many years. This is intended to lead to a period of industrial expansion and to greater capital investment by industry *which will be* reinforced by the challenge and opportunities presented by the probable joining of the European Economic Community by the U.K. As a part of the new capital investment and the increase in confidence there will undoubtedly be an increase in demand for new factory and warehouse accommodation and this increase in demand is already beginning to be noticed in the letting market. Developers can therefore reasonably hope for more immediate growth in rental values with the prospects of new developments, and existing good industrial buildings, letting more quickly than over the past few years. This increase in confidence on the part of industry may well be matched by a more confident attitude on the part of the institutional buyers towards industrial investments. With the arrival on the property investment scene of several new pension funds and property bonds it does seem likely that the demand for first class industrial investments will improve, resulting, possibly, in a drop in long term interest rates. However, it seems unlikely that the industrial investment "bonanza," with yields as low as 7 per cent., will be repeated.

Hopefully the pendulum has now gone full swing from the middle fifties when the property men borrowed many millions of pounds from the institutions at very low rates of interest without having to share the equity of their schemes with those

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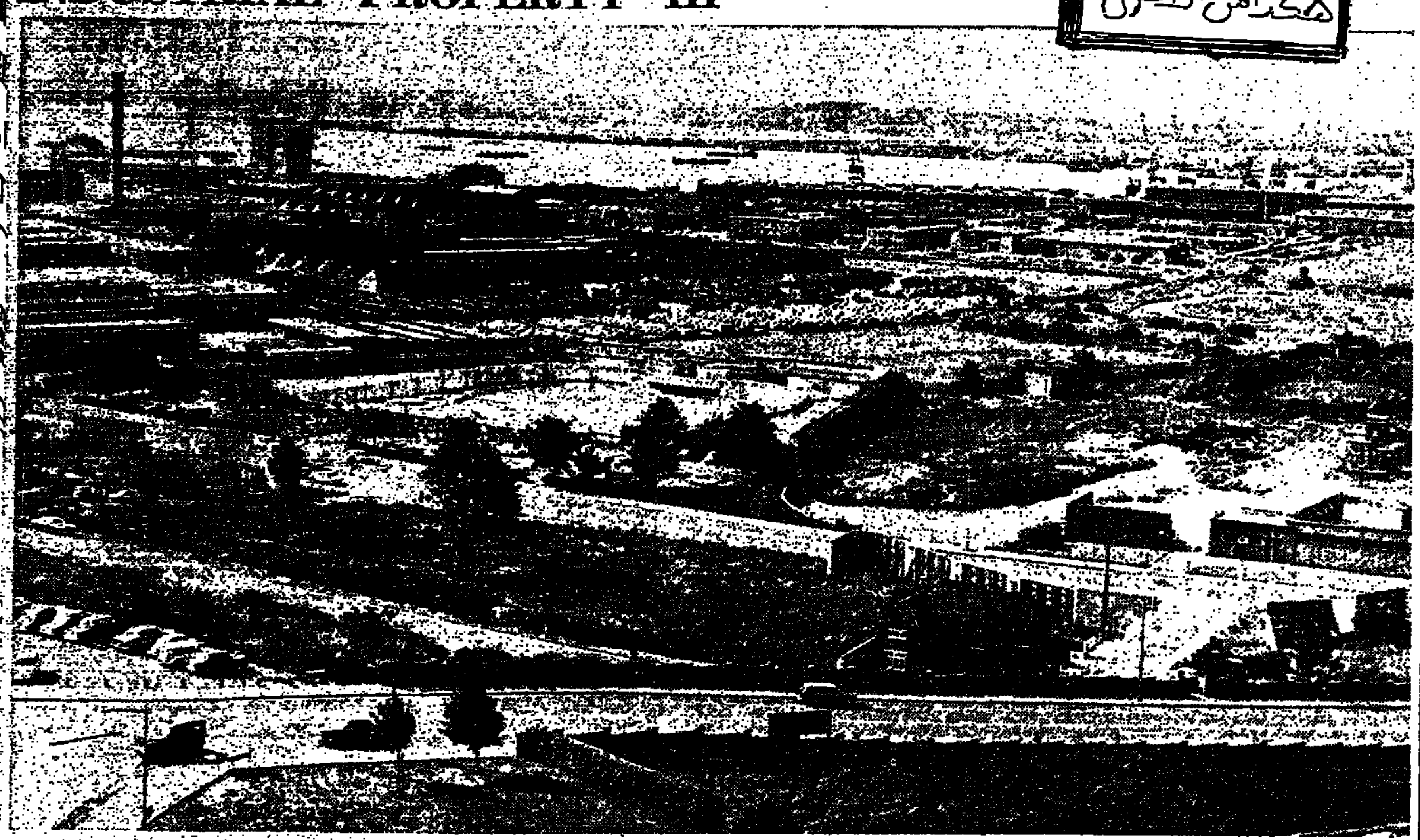

Southampton, focal point of the Solent area, a favourite growth point.

Growth area prospects again improving

By ROY HODSON

A certain cynicism towards the concept of "growth points" has sprung up during the economic recession. Whereas the maps of England during the mid-Sixties could have been liberally spotted with the self-styled growth points and districts it is true to say that by less than a year ago the prospects of real growth had become so remote to so many places that the emotions of the moment were often allowed to obscure hard facts.

To-day the prospects for growth and for growth points are looking brighter again. In the new climate (more correctly the old climate restored) regions, counties, areas, and communities are beginning to rate each other once again in terms of growth potential. This is both useful and convenient to the business world. For the problem where to invest can be answered so much more easily and quickly when a good flow of information is available from growth points telling what they each have to offer.

In terms of sheer weight of economic assistance Scotland, Northern Ireland, and the small special districts in the old coal-mining areas have the edge. The Scottish industrial belt and Northern Ireland produce the highest return of all to prospective industrialists. The extent of assistance they can offer to an incoming industry is now near enough to being unlimited. Certainly it is about the best deal a company could get anywhere in Europe.

Ulster grants

For instance, if you want to set up a light engineering business in Western Ulster you might cajole from the Northern Ireland Government (backed by Westminster funds) some 60 per cent. of the cost of plant and machinery in grant form together with half the cost of highly-paid instructors to train your workers, and £10 a week for each man in training. If you cannot manage on that you should not go into business. Indeed, there are continuing strong protests from some quarters that the top rates of aid in the British Isles are so high as to be self-defeating. They encourage industrial ventures of doubtful quality to set up, so runs the argument, and thus rob the fringe areas of other opportunities of more permanent employment. Certainly it seems there is a point in this matter of Government aid beyond which you are simply pouring the tax-payers money into open pockets without getting anything more back.

Complex calculation

There is no point in labouring the disadvantages attaching to some of the areas of Britain where Government aid is most generous. Distance from markets is always an important factor; quality of labour another. Political stability is a factor industrialists looking at Northern Ireland must now clearly take into account. The difficulties with labour on the "Red" Clyde and on Merseyside also are factors that any prudent industrialist would weigh in his calculations. In short, the choice of a growth point for industrial expansion must necessarily be a compound calculation which takes into account fiscal inducements and weighs them against geographical, social, and political drawbacks.

The growth pattern of Britain up to the present day during the period of post-war expansion has been mainly one which accentuates the disparities between North and South (those geographical and social components again). London and the South East has been out in front all the way. Wages may be higher there (not so much higher however nowadays because so many national union agreements operate). But the convenience of the big, rich South East market, the convenience of the Continent; the convenience of London Airport; the convenience of being in or near to London which is the political capital, social capital, commercial capital, major port, and financial capital of Britain: these are conveniences which have overwhelmed the average industrialist with their importance.

Undoubtedly successive Governments have been right to use the twin weapons of the Industrial Development Certificate and the Office Development Permit to restrict development in the South East. Otherwise an industrial estate would stretch without a break by now from Oxford to Dover and the rest of the country would be turning to market gardening. As long as the rather negative official policy of deterring industry from the South, and particularly from the South East, has been operating two southern areas have shown themselves the favourite points for growth outside the London/South East conglomeration.

The Solent Area—roughly an arc described for some 30 miles round Southampton cutting Bournemouth in the West and Chichester in the East—become a virile natural growth point during the 1960s in spite of official anxiety not to send industry there at the expense of places further north. So many young and expanding industries are in that area now that it has been estimated that it will be able to cope with its rapidly growing population even if not a single further IDC is granted the area for years to come.

In passing, how has the international computer industry been able to back the IDC system to the extent of having most of its major installations in the South? Has it used the threat that it could manufacture equally well abroad? Less potent at present than the Solent growth area but perhaps with an even bigger potential is Severnside. The Severnside feasibility study of this year sees a further growth at least comparable with the 16 per cent. annual population growth of the 1960s. If the natural growth of Severnside is retarded at all it will be because of local squabbles between the Welsh and English banks of the Severn about who should get what, where, and how. So far the area has not succeeded in identifying itself into a sub-region. Neither, for that matter, has Humberside where the Yorkshire and Lincolnshire banks are still, by and large, doubtful whether they will welcome the uniting effect of the promised Humber bridge. Yet this is one of the emptiest estuarial areas with potentially the best communications for North, South, East, West, and with sea links to the Common Market, to be found in all Britain.

Merseyside case

Merseyside, the other great estuarial growth area in England, must be accounted a special case. An old industrial area which is now being expensively and thoroughly resuscitated, Merseyside has a labour relations problem not shared by other growth points. It also has a seemingly bottomless pool of unemployed which no Government has yet managed to drain dry. But the overall statistics which look so black for the Merseyside case should not be allowed to mislead. Despite all the traumas of the 1950s and 1960s Merseyside has maintained a surprisingly high growth rate in terms of new activities and plant expansion.

The smaller manufacturer may well feel that he will be fighting unnecessarily hard for the skills and facilities he needs in these big growth areas. Then why not look closely at what a great number of go-ahead cities, towns, and even rural district councils, are doing up and down the country to attract the new industries they require. The New Towns with their special facilities and ability to provide good housing quickly are obvious cases. They are manned by professional New Town corporations and the man who wishes to expand his business without having to worry overmuch about the detailed arrangements of land, drainage, housing for workers, travel-to-work facilities, and the like, can do a lot worse than seek out a New Town to do the worrying for him.

Do not feel you have to finish your search with the New Towns, however. Look also at places like go-ahead Doncaster in South Yorkshire, now on the North/South Motorway link and shortly to be on the East/West system as well. Here the town and rural councils have got together to actively promote industrial development. They have even been seen calling on Birmingham small businessmen asking them to move over.

Industrial growth is rapidly coming into fashion again even though the figures will not properly reflect the trend for some time. Far seeing manufacturers are planning now the expansions that will see them with sufficient manufacturing capacity throughout the Seventies. They are casting round for sites. Extremely fierce competition between the various growth points—big and small—promises to generate big business in terms of advertising, promotion, employment of skilled staff and agencies. The wiser growth points have begun already.

Investment
(Cont'd.)

Continued from previous page institutions. In to-day's market industrial finance is expensive, difficult to arrange, and the developer is left with a fairly small margin, comprising high risk top slice income, after taking considerable risk. It should be recognised that for developers who intend to hold newly created development schemes for permanent investment, the sale and leasehold transaction is not ideal. Perhaps therefore, instead of approaching the currently lukewarm institutions to provide for the total financing of their schemes, developers will gradually make more novel arrangements with either the existing merchant banks, or the growing number of merchant banks formed as subsidiaries of the joint stock banks. With a growing number of merchant banks entering the field and the likely easing in liquidity there will undoubtedly be much more competition between banks with new forms of business and new types of arrangements being entered into. It may be that the developer will be able to borrow finance to carry out his scheme, for say five years, and wait for the first rent reviews before arranging permanent finance. For this service no doubt the banks will charge the market rate of interest and probably require in addition some small equity participation. However, if they become too greedy in this respect they will have little advantage over the established institutional lenders.

INDUSTRIAL PROPERTY IV

Relating factory design to competitive production

By WILLIAM ALLEN, FRIBA*

By far the most important requirement in factories is that they should be able to accommodate any reasonable change of product or way of making it. If manufacturers cannot introduce techniques that reduce costs or improve quality control when their competitors can do so, they will be at a disadvantage.

Britain has a stock of factories which for the most part is poor or bad in this respect. If it were merely part of a past that is really behind us it might be excusable; we would be no worse off than some other countries; but we are building them still. There is a new industrial estate 35 miles from London which to-day is building factories that should frighten any perceptive accountant, production engineer or investor.

And we should not have been building them these past 30 years or more. America began to relate its factory design to the realities of competitive production in the early 1920s, and by the 1930s had ceased building factories of kinds that were not only still in vogue here in the 1960s, but apparently are still thought suitable to build.

This is not to say that there are not sound and creditable factories being built here, for there are; but there is not that general understanding of what is a good production building and a sound investment which pervades American management, finance houses, and factory architects. In this sense we are still building into much of our factory investment a national handicap on future productivity and quality control which will be harmful to our competitive position in the world, and damage the prospects of many individual firms on the way.

The critical factor is their lack of adaptivity, which depends mainly upon three design features—the floor, the height, and the roof.

First, floors must always be able to carry stacker-trucks, whether a firm foresees an immediate need for them or not. They are one of the keys to low-cost handling. The trucks must be able to move freely everywhere if they are to give full value. They do not like slopes, especially when loaded. Floors and related external areas should therefore have constant levels. They are also very heavy, especially on their front wheels when loaded, and the punching shear these exert is a much more critical structural design load than any normal piece of plant. An under-capacity floor will limit truck size or altogether prevent their use.

Further points

Two other points about floors are *important for adaptability*. As few facilities and services should be put beneath them as practicable, and plant should not generally be bolted down on to them. Both restrict change, but when this change has to be made it damages the floor and shortens its service life. Then relaying has to be brought forward and is a very disruptive operation.

Height is a more complex matter to argue, but definitive views have existed for a long time that a satisfactory minimum is 22 or 23 feet. This was *arrived at from experience* which mainly represents two groups of factors, those dimensioned from the floor upward and those from the ceiling downward.

The floor-based factors are again the stacker-trucks, the heights to which they can stack, the fixed plant, and some kinds of process. The clearance needed for stacker-trucks is quickly disposed of. Everywhere they have to go, 10-12 feet is necessary.

As for their stacking height, this will commonly be exploited up to 15 or 18 feet, though of course deeper stacks are possible. Its significance as a design factor lies in the desirability of being able to do local reservoir stacking at any point in a production layout, or to stack stores or finished goods to a reasonable depth anywhere, or even to convert a factory partly or wholly to warehousing. The force of the point lies in the fact that horizontal space is expensive and generally needed for productive work, while things on which no work is being done should occupy as little floor space as possible. Height is generally cheaper.

Next the plant. Most of it goes no higher than about 12 feet, to which one would have to add about 2 feet for loaders when it has to be moved. Some plant items are of course higher, often up to 18 or 20 feet even for quite commonplace tools, and when production calls for these, inadequate clearance shows its disadvantage sharply.

Then there are production processes which simply require time; examples are the setting of adhesives and the cooling of heated items. If these are allowed to take place at working level, expensive production space will again be wasted for things on which no work is being done. It is better to send them travelling overhead for whatever time is needed.

Conveyor lines

Moving now to roof-hung items, the first is conveyor lines. They can become essential for economic production, and the space necessary for them can be a vital insurance policy. They need a depth of 8-10 feet, allowing for cross-overs and the customary size of their loads. If they are needed it can be a disaster not to be able to get them in.

Cranage is another obviously important form of overhead conveyor. Types which can be slung from the roof require least depth and the minimum of special structural provision, but are generally limited to moderate loads. Their depth is likely to be much the same as for conveyor lines. Heavy-duty cranes usually have to be of the type where a bridge travels on column-mounted rails, and it and its characteristic loads may occupy a depth of 20 feet. With the clearance necessary beneath them, they need factories of more than the minimum height.

A third category of overhead equipment is the type of suspended tool rig which often accompanies assembly lines. *Again if the lines and rigs are* needed at all, they are essential. These rigs can be very heavy in some industries. The overall height needed for them is the sum of their own depth, often 10 or 12 feet, plus head-height clearance above the operatives.

Finally, in a category of its own, is double-decking. If floor space has to be occupied by sub-stations, toilets, supervision offices and so on, it is a nuisance and often a serious obstacle to efficient arrangement of production layouts. They need *mezzanines or raised islands far enough off the floor to give 11* or 12 feet of working clearance beneath. Another valuable use for these is to supplement production space where a need arises at some point and one does not want to disturb the general layout. Such space may attract favourable rating if it can be classed as temporary accommodation. The overall height needed also means that two floors of offices can be built inside the factory if desired.

No one would argue that all of these height factors will become operative together in any one factory, but the likelihood that two or three or more will be required for economic production, singly or together at some time in the life of an occupying firm, is really very great, and then an inability to accommodate them could be seriously damaging.

The view that 22 feet is a good general-purpose minimum to meet these needs had become established in America by 1945. Our own studies suggest another foot, because certain items have been scaling up. If one goes beyond this, probably it is worth going another 10 feet, where one is in the realm of heavy duty cranes, triple-decking and high-stacking. This generally implies heavier than average industry of course.

Generally speaking, big roof spans are not as important as is often supposed, but load-bearing capacity can be very important in terms of what has been said about suspended loads. A good compromise can be reached with spans of 45-60 feet.

Another critical factor in roof design is to be able to introduce air ducts, and perhaps the heating plant as well into it. The range of manufactures for which humidity, dust, bacteria and/or temperature must be controlled in order to reach required quality standards is large and steadily increasing. It already includes furniture, paper and printing, food processing, pharmaceuticals, electric and electronic goods, specialised mechanical equipment and several other categories of manufacture. This of course is apart from the desirability of comfortable working conditions, which would incidentally be well served.

Air processing

Modular air processing plant makes it possible to introduce different classes of control when they are called for without providing them initially, but this postulates either a minimal ducted system to start with, or at least the ability to introduce ducting. The air processing plant itself may go in the roof-space or it can sit outside the roof.

It is necessary to avoid a roof system which forces ducting into the work zone below the truss-line. It was this which chiefly caused American designers and managements to abandon north-light and high-bay, low-bay construction as far back as the 1920s and 1930s. The roof will usually accommodate all the other piped and wired services, and the lighting and power supplies, for all of

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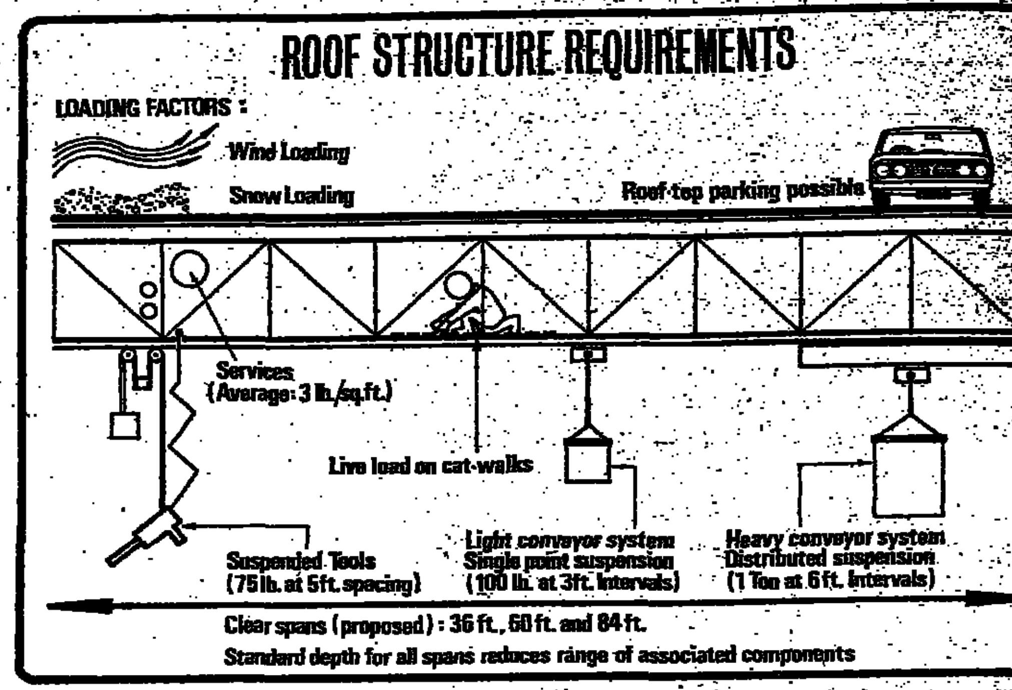
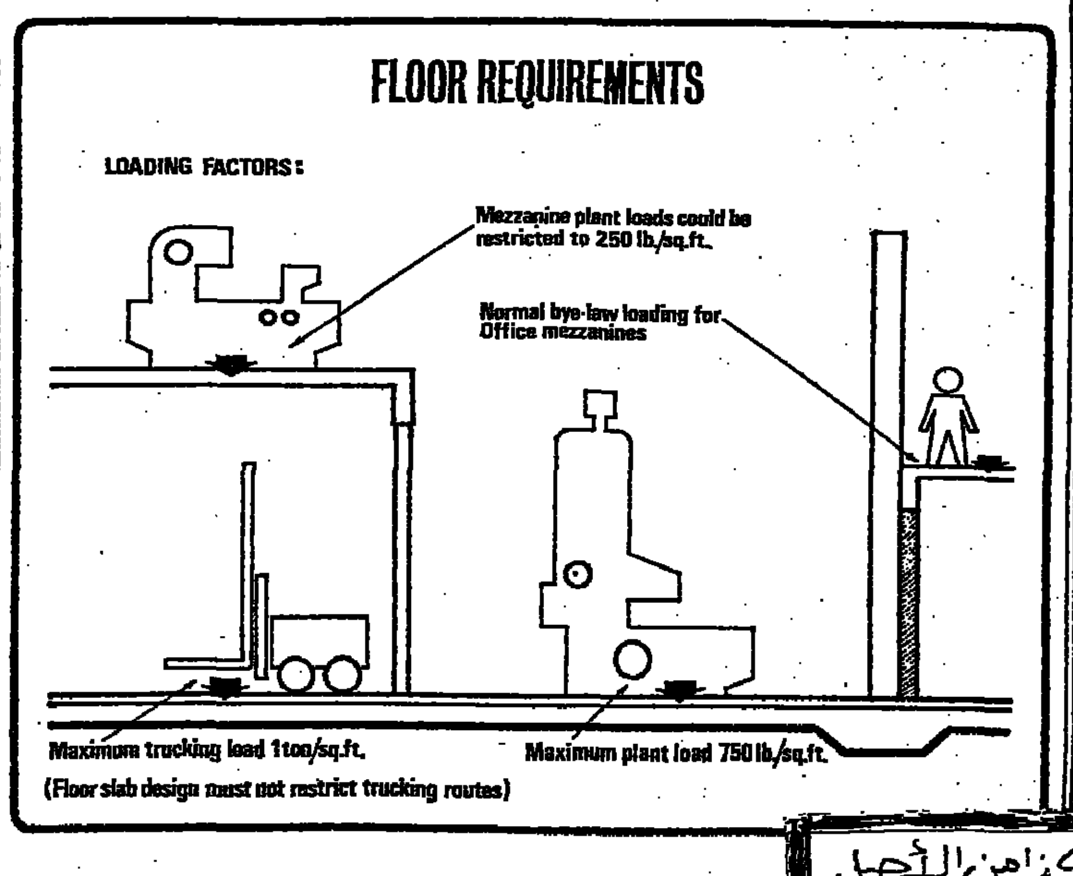
* Partner in Bickerdike Allen Rich and Partners, architects and planners.





Guardian Properties (Holdings) Limited industrial estate at Clydesmuir Road, Cardiff, which has recently been renovated and let to the Post Office, John Cory (Shipping) Limited, and John Williams of Cardiff Limited. The agents were Edward Erdman and Co. and Barnett, Baker and Co.

Similar problems for Wales and Scotland

By HARVEY M. SONING, Chairman, Guardian Properties (Industrial Estates) Limited

Both Scotland and Wales are historically similar from the industrial point of view. They both grew out of the "hard" industries—coal and steel—and took longer to break away from the heavy reliance on them. This is understandable, as these industries are still a dominant influence, particularly on the labour force.

However, the inevitable run-down of manpower in these industries, due to the installation of automated processes and more efficient working, has created the urgent necessity for diversification of employment. Effect has been given to this need in the past few years by legislation, designed to provide financial inducement for industrialists to go to areas where unemployment is highest. Initially, these areas were designated as development districts and latterly as growth areas and the lure has varied from direct grants for the construction of new plant and loans for new machinery to taxation incentives.

In the majority of cases, the legislation proved to be effective and the infrastructure that was provided to go along with these inducements, such as new motorways has had the effect of changing the pattern of employment dramatically in places such as Glasgow and Cardiff. Ten years ago neither of these cities had what can be determined as an active industrial property market. The only activity in this respect was from the Government-sponsored industrial estates corporations, which were offering subsidised accommodation. When their estates became established however, numerous smaller service industry estates were created on the fringe areas of the main cities in Scotland and Wales, operating mainly as local offshoots of the large manufacturing companies in England.

The change has now been such that these service companies are now joined by local companies manufacturing and storing goods created within the country and designed to be used locally.

The activity in these areas now seems to have levelled off to a steady need for the smaller industrial buildings ranging from 40,000 square feet downwards. The larger complex requirements are still, of course, largely handled directly with the Government sponsored bodies.

Intriguing point

The intriguing point about the growth in these areas is that it has centred almost exclusively on the main commercial cities. Glasgow, for instance, is still the only real centre for industrial activity in Scotland and rents there reflect this. These have climbed from approximately 25p per square foot in the early '60s to 55p/60p per square foot to-day. The main centre of activity in Wales is in Cardiff and, to a lesser extent, in Newport. Here units are now renting at 50p and 55p per square foot which ten years ago would only have fetched 20p per square foot. There is little or no activity in Swansea and further west, private industrial development is almost nil. In North Wales there is a fair amount of industrial development which mainly appears to be overspill from the great Merseyside developments.

Other than Glasgow a similar effect is felt throughout the rest of Southern Scotland with only limited development taking place outside Glasgow and its environs.

Some of the restriction in activity may possibly be attributed to the fact that construction costs in both Wales and Scotland are generally higher than in England. Of necessity therefore, rent levels have to be at least in the region of 40p per square foot in order, successfully, to decapitalise the construction costs. With industrial land values in the centre of Glasgow and Cardiff reaching £30,000 per acre, of necessity rent levels must reach the figures indicated for sound common-sense reasons quite apart from the market considerations of demand.

Greatest problem

The greatest problem with the promotion of industrial development in both countries is again historical. Labour relations have never been particularly good with work forces which have been noted for their militancy. It is a pity that due to bad management in the early part of the century the unions should be so anti-management now. As one would expect, this is guaranteed to produce hostility in management which became anti-labour and the system is prolonged. As a result, new industries are hesitant about coming to either Scotland or Wales as they feel that their fresh start in these areas will be seriously hindered by labour problems. We have been aware of companies, which have specifically stated to the Government that they would not be prepared to go to certain growth areas in order to establish new manufacturing units.

It therefore seems that the management and union relationship will have to change considerably in both countries in order that mutual trust can take the place of the present feeling before new industries, particularly the smaller ones, will feel happy about re-locating themselves in these areas. All this will build up their economic strength and thus attract more and more expansion.

Design—(Cont'd.)

Continued from previous page

...ich convenient access should ...an aspect of design.

These are not all the details ...d ideas useful for adaptivity, ...they are the guidelines for ...d low-risk, high-yield factory ...vestment. It is a design basis ...which production techniques ...n be continuously and easily ...dated. As in America, such ...tories would remain modern ...d efficient for 50 years or ...re. If a firm wants to change ...at it is making, it can do so ...easily as making any other ...ange. If it wants to sell up ...d move, there will be a ready ...rket because the buildings ...ll suit so many buyers; and by ...e same token, a better price ...ll be paid. Psychologically, ...e people working in them can ...ways feel that they are work...g in efficient places.

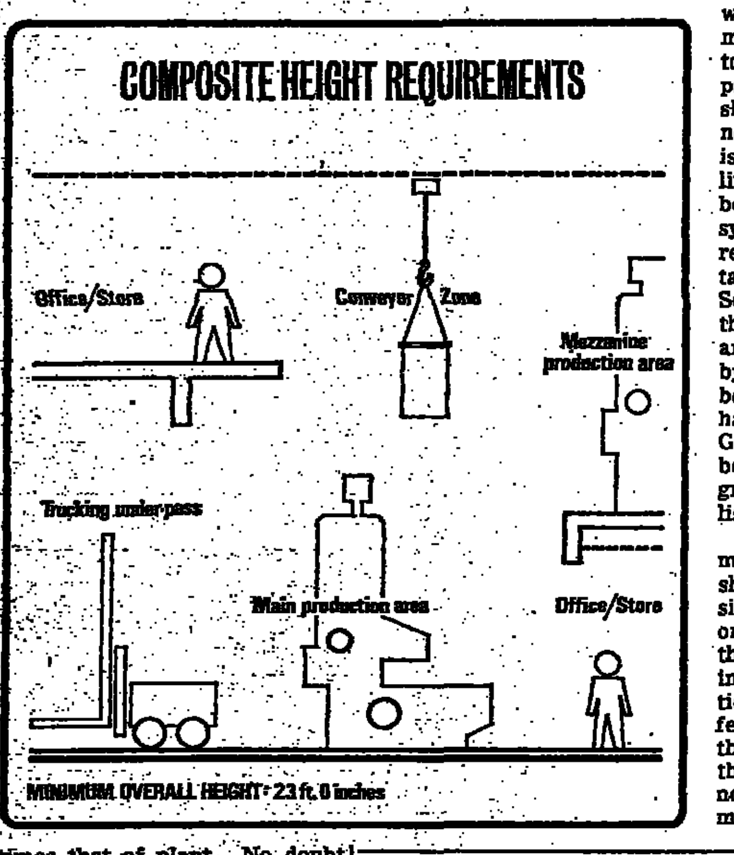
In national terms, as Ameri...n managers have put it to the ...thor, they create conditions ...r flexibility and buoyancy in ...dustry, giving it a capacity to ...spond sensitively to changes ...market demands and national ...eds.

This should be our main...ream factory design. It is ...e only safe direction of invest...ent for firms, finance houses, ...d the country. Of course there ...ll be a continuing need for a ...oportion of lowest-cost sheds, ...t least for young firms striv...g just to get established in ...e, and the bigger, heavier-...ty versions of what has been ...scribed are necessary, tend...g towards the special one-off ...b. And although the descrip...on has sprung mainly from ...achine industries because ...eir dimensions are the most ...itical, it suits much chemical ...oduction, and the buildings ...e freely convertible to and ...om warehousing, except of the ...cept very deep-stacking types, ...ere 75-100 foot clearance may ...e needed.

How big a factor is cost in ...uilding adaptivity? There is ...a base-line for comparison, but ...e might say that the "extras" ...e chiefly 7 or 8 feet of height ...d a roof that is capable of ...ing some work instead of just ...ting there.

But a better perspective is ...ained by looking at factory ...ts as a proportion of total ...duction costs. An analysis of ...ional data a few years ago ...cated that on average plant ...resented an annual outgoing ...ut four times that of fac...es, and labour about four times that of plant. No doubt such ratios shift around somewhat as time passes and in any case vary a lot from one industry to another, but the relativities are unlikely to alter fundamentally. Plant and labour are generally much bigger items than buildings. The indication then is that a factory might typically represent 4 or 5 per cent. of production costs (excluding the materials processed), and this is in line with American opinion. Occasional spot checks in the U.K. are of this order.

These are real-money figures of course, before taxation adjustments, plant write-down, regional assistance grants, wage fluctuations, and other finance manipulations that are made for one purpose or another. In the U.S., rapid factory write-down is also usual. The essential perspective survives nevertheless that the factory is almost always the smallest category in a firm's overall production costs, and sufficiently small that the difference between a penny-wise job and a good one is very small indeed. The important thing is that it is often the cost of remaining competitive, of avoiding rebuilding or removals, and of keeping asset values high—a good policy altogether for firms, investors and the country.



INDUSTRIAL PROPERTY VI

Makings of a true estate

By G. H. HIRST, Managing Director, Eldonwall Limited (a subsidiary of Town and City Properties Limited)

Look into every town and city, hamlet and village and find industry. In every "Down your Way" broadcast, the interviewer always finds a staple industry invariably started in a back street shop.

This process continues and with every new idea a man goes into business. He may end up being taken over by a giant concern and be dubbed part of a conglomerate, a subdivision within a division, but he still has to operate from somewhere. We know that that somewhere could be a modern version of a backstreet shop, a converted mill-house, or an apology of a building with few amenities. Only last week a developer overheard a young lad say of his working conditions that the premises were unsuited for the work being done, and the toilets disgusting.

Revolutionary words from an innocent young lad is probably the best teaching. Remember the disaster in a Scottish factory where the fire escapes were shut off? And the shipbuilder in the South West who hit on the idea of building his ships indoors? Draw all the graphs and prepare the statistics, but through it all pervades a continual state of movement with the rise and fall of trade and the varying of standards, brought about by affluence (and the lack of it) changes in government and legislation (and the excesses of it), not forgetting the money market for property investment.

The question is what industrial property is the best investment in the form of a true industrial estate and in whose eyes?

What are the ingredients in the pudding that make a good estate or a stodge of bad working conditions, and where should the estate be? Setting aside economic geography and Government employment policies for others to discuss, let us travel down wide roads with avenues of trees to arrive at a Hypermarket with 150,000 square feet and an enormous tarmac for 15,000 cars. Shall we build warehouses for general distribution next to it, or factories with all their heavy transports mixed in with the family car? Perhaps not. It may be that in ten years that Hypermarket will be converted into something else and a traditional trading estate growing round its nucleus.

Traditional trading estates vary from a few acres developed by a local builder, from plots sold off individually by a private owner or the local authority, to huge complexes like Pensnett, Slough and Trafford Park, the latter type boasting district heating, dock and rail facilities. Plot ratios and car parking, central road patterns and traffic circulation, dispersal areas and open storage, have at times been taken into account; at others thrown to the wind. Central Government has never taken a long hard look and issued standards for all planning authorities to apply as guidelines and more is the pity.

Building regulations were tightened up after Ronan Point, and after Ibrox Park they thought about the design of football grounds and the safety of spectators. No harm would come from the establishment of a working party to guide the hand of the planning authority in the direction of better standards of planning of trading estates.

Unpopular word

Not that direction is a popular word, but we have to give expression to the needs and objects of all concerned, the developers, financial institutions, the occupiers, both employers and employed, as well as that of the community in the shape of local authorities, the State and the public.

The traditional problems that arise in connection with local industry which has grown over the years in a particular area *will need to be borne in mind* carefully. It may be light engineering or connected, say, with furniture and timber trades; or may be particularly suited to the distribution of certain locally produced goods between the surrounding counties because the road patterns in the region have been so organised as to make a centre of distribution at a particular spot one of general consent. The true position in this regard is, however, always strongly influenced by the local authorities who want to see certain types of development take place in their locality, or even to restrict influx into the county due to shortage of zoned land for the purpose.

They may want to see a *diversification of activity from* being dependent upon one industry alone in order to dispel the twin spectres of unemployment and reduction in rates income. The institutional backer will want to see a mixed use so that the owners are not faced with buildings taken back into possession when, being all connected with one trade, that particular trade falls on hard times. The pull seems to be in all directions at once and the real needs, and true objectives, simply obscured.

With respect to the buildings and their environment, so often buildings fail to keep pace with the advances in technological demands and quickly fall into obsolescence. Look around the nation's cities and see many examples of 100 per cent. site coverage or more, with congested access roads parked both sides. Perhaps we are going into a period of shrinkage of plot ratios in industrial development in urban renewal. Strange that on the housing front, the reverse is happening.

Open options

The true estate needs a dedicated developer who can keep the options open according to requirements. All the planning and legal hurdles overcome, a good sound building, well equipped, flexible enough to meet changes in use and demand, adaptable where required to modern sophisticated techniques in storage and distribution methods, and of universally acceptable dimensions, would be the first priority. Good (and more than merely adequate) means of access, egress, and parking, both for estate-personnel and visitors, would be a sine qua non; and the estate would be sufficiently landscaped to obscure the ugly disfigurations of industry, and this for the benefit of the estate managements, the tenants, employees and the public. In these respects, experience often tends to show that economies turn out to be false, but for who? And there is a converse argument too. On the one hand, the badly planned forecourts and accesses, with non-existent car parks for staff cause friction in management and with visiting personnel alike. Inefficiency and loss of working time results, particularly when the inadequate facilities are choked with pallets, raw materials and waste products. A quart in a pint pot in fact. On the other the overdone space about buildings can produce expensive site/building ratio costs abhorred by management as an excessive overhead. The existence of space to expand sometimes produces unwanted sprawls of buildings maybe for research or training, canteens or workshops. Perhaps pulling a pint into a quart pot spells lack of discipline.

Extend the argument beyond the unit of building to the concept of the ideal trading estate, and what the developer ought to provide. When that is decided, expensive mistakes could well have been made, and not so easily undone. Public weighbridges, the creche, full security surveillance, shops, banks, public canteens and ground for sports and pastimes all come to mind. Will the canteen maintain a profitable turnover in competition with the lunchbox and vending machine? The creche may attract female labour but emotional or epidemic crises could dislocate the production line. The men in turn can dislocate themselves playing netball in the lunch break!

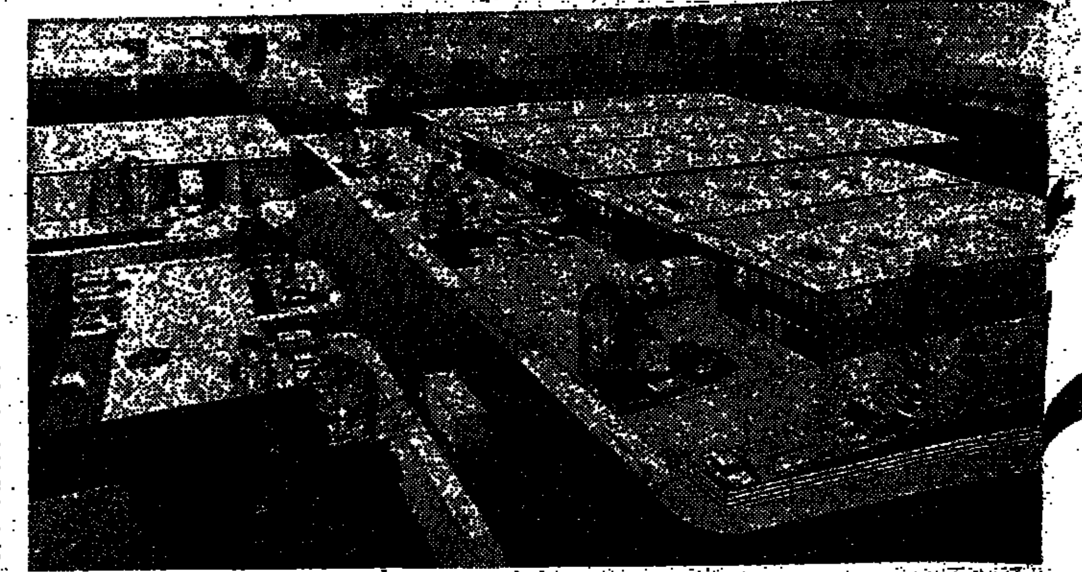
Provision of these amenities costs money and returns on capital may be scarce to find with few supporters of extensive service charges to estate tenants.

What does the estate tenant want? And what will he pay for? Apart from the on-site facilities discussed above, in the form of a good, sound, flexible-in-use unit, he wants well-lit access roads with no on-s[ite] parking, and an opportuni[ty to] give his staff a place to [eat] close by. Telephone, p[ost] shopping facilities and [an] open space to walk and talk [will] not come amiss. He wil[l be] prepared to pay his share [of] the maintenance, repair [and] rating of public car parks, [and] the landscape around hi[m] within reason.

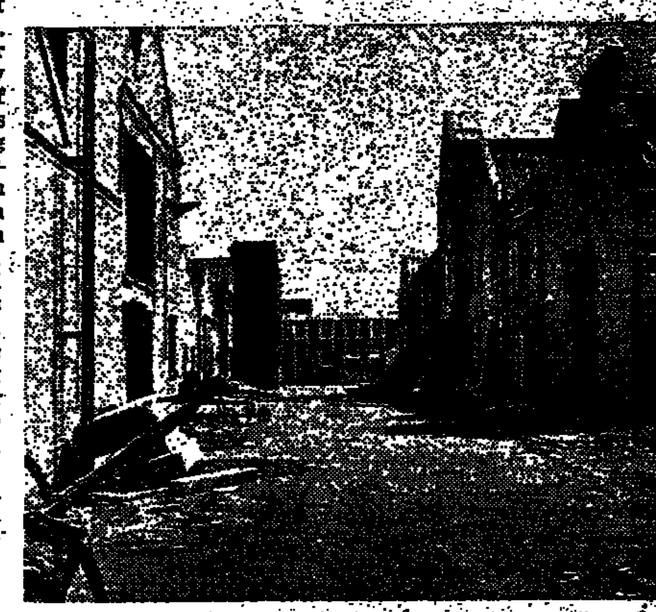
Keeping abreast

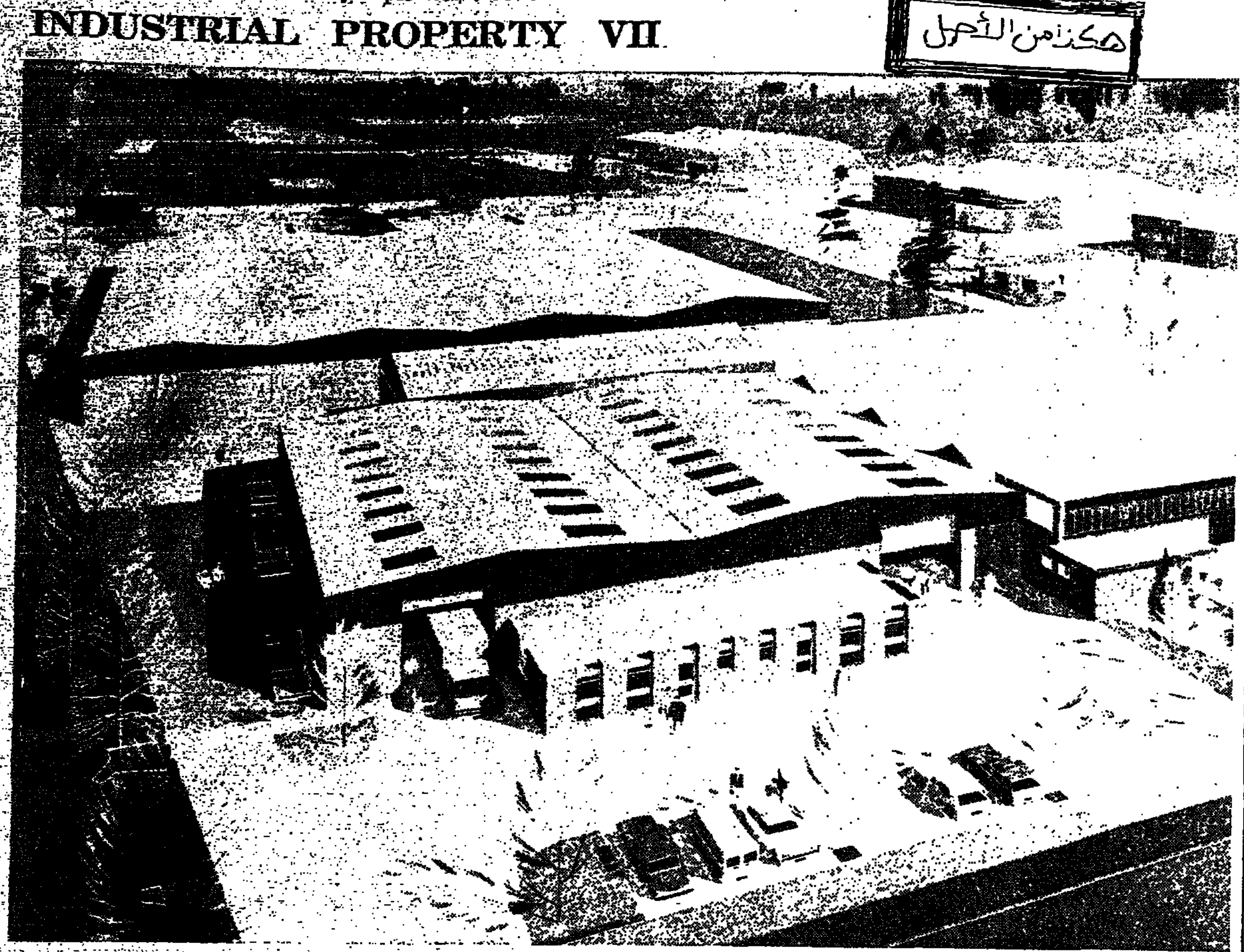
Bold strokes of the c[arto]grapher's pen and the hac[king] back of over-densely popu[lated] areas of industrial develop[ment] created since the Indus[trial] Revolution are very muc[h in] order. This may mean e[xpan]sion of industrial and [ware]house zoning in the right a[reas] but it does also afford the op[portu]tunity for improving the ap[pear]ance of trading estates [and] working conditions for drivers and production workers, office staff and [ware]housemen alike.

It is highly desirable [that] industrial estate develo[pers] keep well abreast of const[antly] changing conditions that pr[evail] in our highly developed in[dus]trial society, for nothing is [more] retarding to growth than [out]moded and uneconomic b[uild]ing, nor more compulsive [than] the dynamic of indu[strial] progress.



An artist's impression, above, of a current Eld[on]wall renewal in Park Royal, London, and belo[w a] picture of obsolescence.





An artist's impression of Arrowcroft's development on the Aintree Industrial Estate at Liverpool where some 50,000 square feet of new warehouse and factory space has been built and let to public companies.

Expansion plans in the North

By MARTIN J. BARBER, Managing Director, Arrowcroft Investments Limited

When the Queen opens the latest extension of the M62 Lancashire-Yorkshire Motorway in October it will mean that a further major motorway link in the North West will have been completed and comes only a short time after the opening of the 13-mile trans-Pennine section of this motorway.

The North West will thus have Motorway connections to virtually every major city in Britain and will make the region one of the finest areas for industry and distribution. These new communication links, coupled with the recent reprieve of Rolls-Royce in Derby, should bring a major injection of capital and industry into the region which, in recent years, has suffered more than most from the bad economic climate and has an unemployment problem higher than the national average. Already this year there have been many factory closures and there are currently more than 100,000 people unemployed in the North West of which more than 88 per cent. is male labour with the worst unemployment blackspots at Liverpool, Fleetwood, Morecombe and Wigan.

Up until now, the main reasons for the basic economic weakness of the region stemmed from the large stock of obsolete industrial buildings, the relatively poor representation of growth industries, and the comparatively low level of new investment in both the private and public sector.

Although there is currently over 30m. square feet of factory and warehouse space on the market in Lancashire alone the greater proportion of this is completely unsuited for modern production processes and distribution techniques. This not only perpetuates the outdated physical image of many North West towns but seriously affects the efficiency and productivity of much of the region's industry. It means too, that large numbers of the labour force are denied proper working conditions and the level of earnings enjoyed by workers in more prosperous parts of the country.

Wind of change

But the North West has not turned a blind eye to the situation. A "wind of change" has gradually spread throughout the region and most towns and local authorities are making tremendous efforts to attract new industry by offering first class factories and warehouses on modern trading estates with, of course, a ready supply of labour available. In fact, the North West, is very much alive to industrial development and now because of its unique motorway location it should prove to be an ideal place for industrialists to set up operations in the next decade. Typical examples of towns with superb Motorway connections and operating schemes to attract industry into their area are Worsley, Bolton and Preston to name but a few.

Further north in Cumberland and Westmorland there is similar high unemployment with both counties undergoing a transition brought about by the run-down of mining and metal working industries and the change to a more diverse industrial structure. Cumberland, for example, with an area of 1,520 square miles, is the ninth largest county in Britain, yet it has a relatively small population—225,000 in the administrative county and 71,000 in the City and County Borough of Carlisle. In the west of the county there are at least 800 acres of land undeveloped and designated for new industry. Carlisle itself has impressive expansion plans with a population target of 100,000 by the end of the century. In addition to the controversial "State" pubs, Carlisle has a healthy industrial climate based principally on textiles and engineering.

Exciting plans

Westmorland is a much smaller county with a population of 70,000. Manufacturing and service industry is mainly located at Kendal and a number of smaller centres such as Appleby, Shep, Kirkby, Stephen and Milnthorpe.

But the North West is not alone in having exciting expansion plans. On the other side of the country, in the North East, the Regional Development Council representing Darlington, Durham, Gateshead, Hartlepool, Newcastle-upon-Tyne, the North Riding of Yorkshire, Northumberland, South Shields, Sunderland, Teesside and Tynemouth are also faced with similar problems and are taking the necessary steps to overcome them.

Here again traditional industries have declined and with unemployment also running well above the national average, the need to diversify and attract industrial newcomers is obvious. Currently about 9,000 acres of good industrial land is available for expansion in the region. The ultra-modern communication pattern now enables manufacturers to transport raw materials and the finished products in and out of their factories with relative ease. This region is also an important market in its own right. Consumer spending is in the order of £900m. a year and capital expenditure about £150m. annually. Five new towns in the North East Region play an important part in the industrial and social restructuring of the region.

For example in Durham, Peterlee is a major growth point and was designated as a new town in 1948. The local Development Corporation has concentrated on exploiting the town's potential as a base for technological advance. The objective is to make Peterlee the "science" centre for the North and to try to gain the support of the nearby University of Newcastle and Durham and the Polytechnics at Sunderland and Newcastle.

Washington example

At Washington, which was designated as a new town in 1964, there is a target population of 80,000. When fully developed, it will have some 765 acres of industrial land and this figure does not include currently productive mining areas which are likely to be closed by the time the target population is reached. The proposed industrial sites are located on the periphery of the town in the main and average 40-50 acres in size. Newcomers to the estate are encouraged to lease at least 15 per cent. additional space to allow for expansion and the estates are planned to accommodate this level of growth.

The Northern Regions, for so long the poor relations, are now ready for new industry. They probably have more to offer than any other part of the country and forward thinking industrialists now setting up expansion programmes for the late 70s and beyond can surely do no better than explore the many opportunities that these regions have available.

NDUSTRIAL PROPERTY VIII

,ondon and South-East ;till a focal point

E. G. SMITH

Indoubtedly London and the irons still remain a focal nt for industry even though ay trades have moved from inner areas since World r II. It could hardly be erwise since London enjoys many natural and artificial antages. Railways and motor-/s connect the capital to most ts and it has the country's ding air freight centre. There heavily populated residen- localities which provide lled *workers for nearly every* m of production, for whom enities and entertainment available within reasonable tance.

t is, however, an area where cessive post-war Govern-nts have tried to restrict *amount of industry by* uiring Industrial Develop-nt Certificates to be obtained ept for premises of very all (virtually workshop) size h the object wherever pos-le of *steering new factories* the Development Areas, ially to localities where cial inducements have been essary to attract indus-lists. IDCs have been granted the South only sparingly and requirements have been htened up over the years lowing the passing of the wn and Country Planning t. *1947. The limit* was in-ased recently but it still nds at only 5,000 square feet this location and an altera-n *in the law since the 1947* t made it necessary to obtain IDC where the use of an sting building is changed to *lustrial for which, of course,* inning permission is also juired.

Many large works have, in t, been built post-war in velopment Areas or in posi-ns away from established ban centres. In some cases doubt *the firms* concerned ve been influenced by the ancial inducements provided here appropriate) but also by *difficulty which is experi-*ced in finding a suitable tensive site in the South of igland. As so large an amount *industry has now been dis-*buted throughout the country, would seem unnecessary to ntinue the restrictions on ndon development quite so severely and the present Plan-ning system has various undesir-able results:—

● The decision as to where an industry is to be located is con-trolled by Government officials and not by those in charge of the undertaking and who are familiar with its problems.

● Firms wishing to make exten-sions to an *existing factory* are specially affected. They are often not in a position to move any distance away from the sources of their *labour*, custo-mers, suppliers or businesses for whom they act as sub-contractors.

● *Rebuilding of obsolete fac-*tories is often hindered, delayed or made impossible.

Uneconomic method

It is uneconomic for builders to start the development of an industrial estate by putting up one small building of the per-mitted IDC size, involving a substantial expenditure on roads and services in addition, with-out any assurance that prospec-*tive* tenants will be approved by the Department of Trade and Industry (the planners do not normally approve the initial erection of a terrace of small factories, each within the pre-scribed limit). Many developers *have* erected *warehouses* in the expectation that IDCs will be granted in suitable cases but this is not really a satisfactory pro-cedure *as there are often dif-*ferent requirements for factory use and unnecessary expense may be incurred on alterations.

Most of the accommodation which is available for letting is provided by Property and Development Companies and comes within the following categories:—

(a) Existing factories containing a number of buildings, which are not in demand for single occupation and are most suit-able for reconditioning and division into units. Often the *open yard* and *parking is* inadequate for modern require-ments and if this is the case de-velopers are well advised to be *ruthless in clearing some of the* buildings to provide these facili-ties, even though it involves sacrificing floor space. It is more difficult to let converted buildings of this type if the yards are inadequate and the loading and access are re-stricted, factors of considerable importance as commercial vehicles are so much larger nowadays.

(b) The erection of new ware-houses on land suitably zoned under town planning. These estates have been developed in various parts of the country and tenants with household names have branch depots in many of them. It seems that most large firms are still desirous of im-proving and reorganising their means of distribution.

(c) Industrial estates which can be designed and laid out ready for the erection of factories if and when IDCs can be obtained. *As pointed out earlier, this* method has disadvantages but if the developer can make an early start by finding several *approved tenants quickly, it is* usually possible to make good progress afterwards if the site is well situated and in a locality which is in good demand.

While it may be necessary for social and political reasons to retain the location of industry requirements in some form, there would appear to be little justification for the *continuance* of office development controls which have had an effect on industrial building. Planning *authorities* have limited the amount of offices in new ware-house and factory *projects* to a fixed figure which prohibits the normal degree of flexibility in the use of the accommodation.

Location reasons

There is a considerable amount of space on the market in some localities at the pre-sent time but *many of the empty buildings are in the older parts* of London, often on trading estates developed between the wars where roads and access are congested and parking space limited. Judging from past experience it should not take long to let most of the vacant accommodation when the Government's measures to help the economy begin to bear fruit.

It is indicative of the continu-ing demand for properties to purchase in London and the South that according to my records of the factories and warehouses submitted to auc-tion over the past few years, about 95 per cent. were sold. There is always keen competi-tion from purchasers for small and medium sized modern single floor factories especially in the London suburbs and these realise good prices.

It is not easy to quote specific rents, which vary considerably, dependent on the quality and size of the buildings and posi-tion. There is little difference between the values of modern factories and warehouses assum-ing both have similar quality of construction and amenity.

The London Airport region is one of the most sought after localities around London and premises in the surrounding districts fetch high figures. A normal quotation for accom-modation near the airport would probably be in the region of 85p per square foot. Watford is also an area which is in demand and somewhat higher rents have been obtained there than those prevailing in other parts of Hertfordshire which range between 55p/75p. Rents in the East End are usually lower but some districts are proving popular for container freight transport users. Rents are from 45p to 50p for older converted buildings and 57p to 60p for new single floor premises but higher figures have been realised for attractive new buildings com-plete with all amenities.

South of the Thames rents range from 60p (mainly S.E. London) up to 75p (mainly SW *London). These figures are for* buildings of good quality. Rents have greatly improved along the South Coast between *Brighton and Southampton* where figures from 60p to 65p can now be expected.

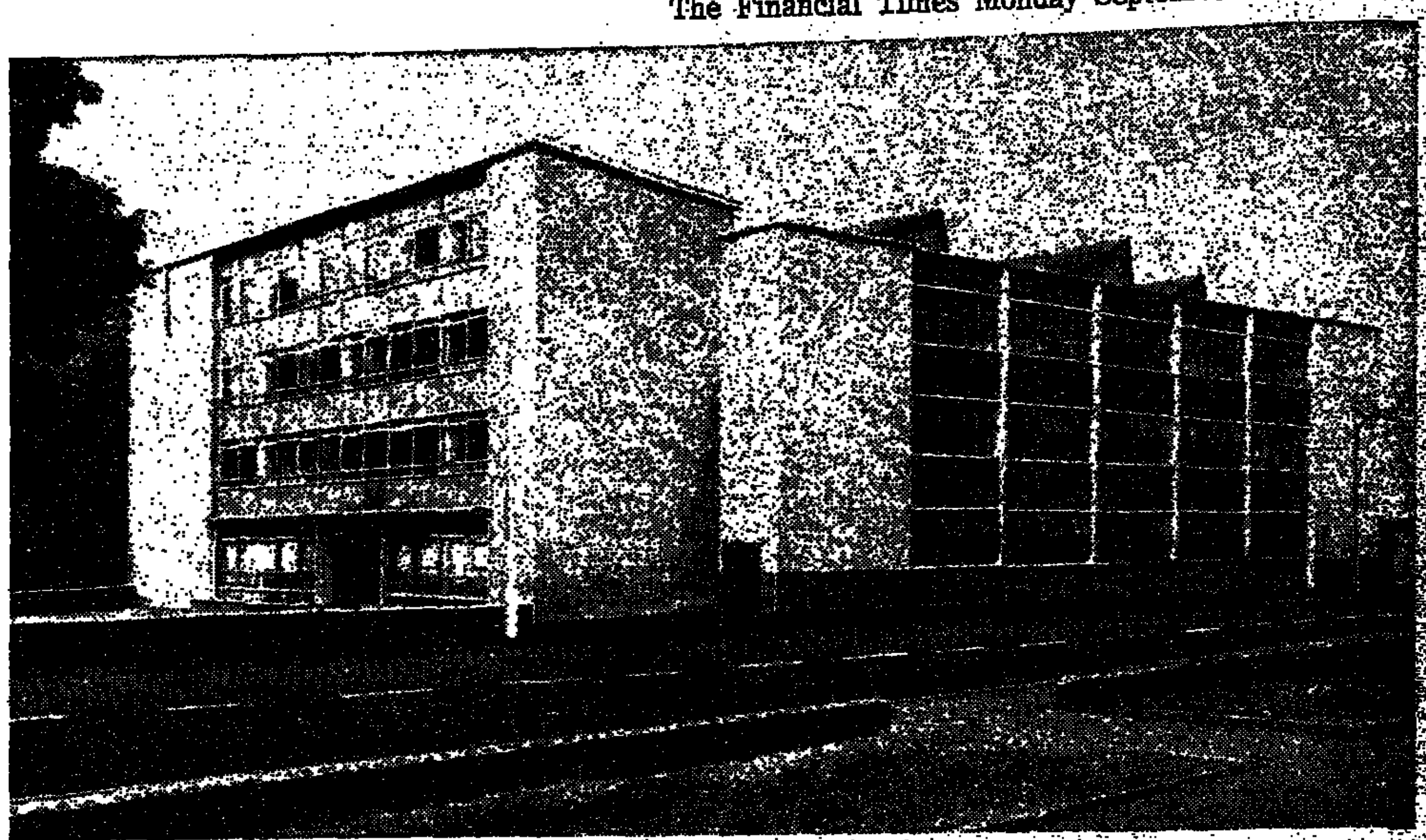
Rents in Kent have not yet touched the levels anticipated in view of Channel Tunnel and Common Market possibilities. Modernised factory accommoda-tion at Ashford can still be rented for as low as 45p per square foot which may prove a very moderate figure as time *goes on.*

Looking to the future, there is every reason to suppose that London and the South of Eng-land will continue to be a centre of attraction for manufacturers and distributors possibly even accentuated if we go into Europe, in view of the valuable strategic position of the region. Joining the Common Market should result in a greater exchange of facilities between *members of the Community and* I expect that in due course there will be more inquiries for accommodation from the *Continent.*

Inadequate exemption

While the abolition of the IDC system is possibly too much to expect, there seems every reason for the inadequate exemption limit of 5,000 square feet (in the South) to be sub-stantially increased, also that the rebuilding of antiquated factory premises *should* be per-mitted without the necessity for obtaining an IDC, providing the size of the existing buildings is not exceeded. *It* would be helpful if present protracted planning procedures could be speeded up, possibly by delegat-ing some decisions not involving major matters of policy to senior Planning Officers.

If there is reasonable co-operation from the authorities, I consider that the future pros-pects for industrial and com-mercial property in London and the South East are very good and *that this area will maintain* its special attraction for com-panies engaged in highly skilled and technological forms *of production.*



A modern printing works at Mitcham, Surrey, of 60,000 square feet, which is to be submitted to auction in October by Chamberlain and Willows in conjunction with Edwards Bigwood and Bewlay.

A modern factory and offices at Portsmouth with a floor area of 31,000 square feet on a site of three acres. The freehold was sold by auction recently on behalf of the Metal Box Company, Ltd., for £200,000.

هكذا من الأصل

An aerial view of Comley and Pitt trading estate at Pensett, Brierley Hill, Staffs., an example of a well-established trading estate.

A critical year for Midlands

By W. G. H. HAIGH

For the industrial property market 1971 is a critical year and one in which a combination of external factors could well, in the historical context, create a significant milestone.

In looking to the future there are two principal factors which will influence the whole shape and pattern of Midlands industry. There has been an awareness of these factors for a number of years but the maximum effect of their impact will now be felt.

Firstly by the end of the year, the basic motorway network M1-M5-M6 will be complete with Birmingham and the West Midlands as its focal point. The line of these principal motorways has long been known and, in the pattern of industrial development, anticipated but the feeder motorways which will provide cross-linkage are now moving from project stage to defined lines with forecasts of completion in the late '70s. Thus the facility of first-class communication which is a prime requisite of industrial development is already present to a substantial degree and future expansion along the new arteries already taking shape for the next decade.

The second factor is the necessity of obtaining an Industrial Development Certificate for the building of a new industrial unit in excess of 5,000 square feet.

Inhibiting effect

There can be no doubt that the IDC requirement has had an inhibiting effect upon expansion of Midland industry. Seen against the broad background of a generally prosperous Midland industry 10 or 15 years ago, the social concept of the IDC appeared admirable in its purpose of siphoning a part of this prosperity off to less fortunate areas.

It has been increasingly apparent, however, that the effect in practice has been to take away both substantial sections of the established industries, notably the car manufacturers with their satellite suppliers and more particularly the new growth industries such as electronics and tele-communications. The combination of both factors is tending to produce in new development a strong bias towards warehouse/transport/distributive operations which are basically not labour-intensive instead of the traditional industrial pattern. There is now the distinct possibility that this artificial restriction of natural industrial growth will soon cause an under-employment situation in the Midlands.

Forward look

This then is the particular background to a forward look at industrial property in the Midlands. To it must be added other general considerations specifically, the present round of high wage increases and the rising price of development land which must inevitably be reflected in rents and prices in the near future. The great wave of urban renewal which has in the post-war years swept away many hundreds of old industrial units is beginning to recede.

There is nevertheless a continuing demand for industrial properties of high quality predominantly as the subject of sale and leaseback arrangements where the requirements of the institutions which fund these operations set a high standard.

In the field of older properties, there is always a steady market for the smaller units at the right price which is, in general, fairly low. There has been a continuing demand for large old industrial properties which can be renovated and divided into trading estates and it is reasonable to suppose that in a period of steeply rising costs for new development where an extensive old property is in good physical condition, this process will remain viable.

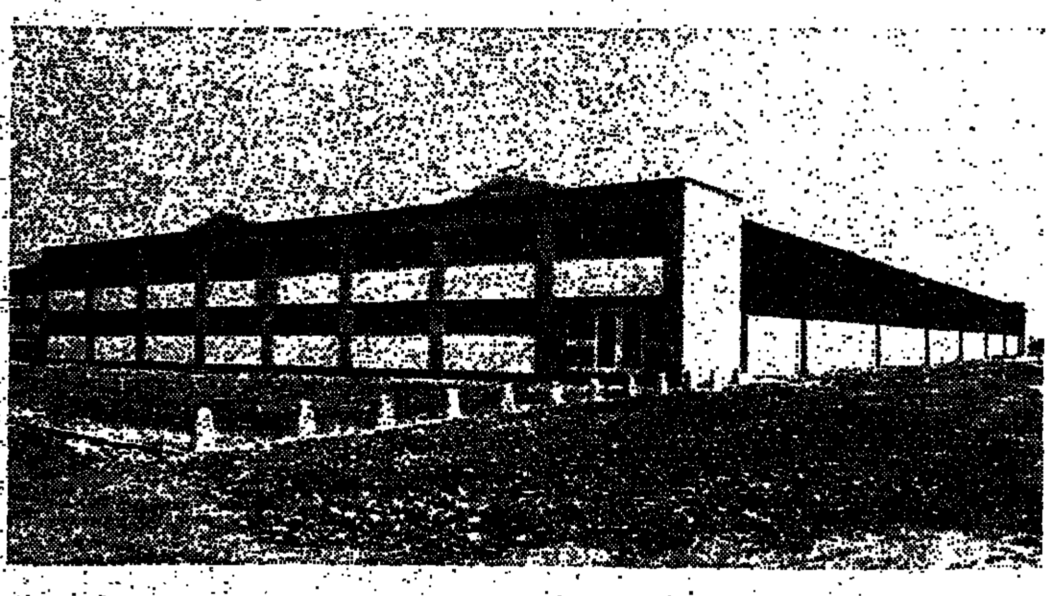
However, old properties of multi-storey construction or in poor condition have only really been saleable as sites. The trend towards modern trading estates is still growing in popularity. Such estates usually start with smaller units of 5,000-10,000 square feet which can be expanded at a later stage followed by units to individual requirement as the estate grows. Such estates are being developed both privately and by local authorities. In the last year or so, there have also appeared speculatively built warehouse units of considerable size between 50,000 and 100,000 square feet.

There is in the broad spectrum still some lack of confidence among industry generally. Despite renewed hope for the RB-211, the Rolls-Royce failure is still having repercussions in Midland industry and a high proportion of company reports in the Midland engineering field over the last few months has referred to losses in this particular connection.

Rents generally at the moment lie in a band from 40p to 50p per square foot and are showing a tendency to go higher particularly for smaller units. This pattern is fairly general throughout the Midlands with the exception of possibly the North Staffordshire area and one or two smaller towns. Industrial land values in the established areas such as the inner ring of Birmingham have tended over the past few years to be static, if not recessive, showing a present level of £10-12 per square yard, although one or two very recent sales of substantial parcels have indicated a marked rise. During the same period, however, land values in the Black Country and South Staffordshire have increased markedly from £2 to £4 or £5 per square yard. This increase can be related mainly to the improvement in communications and to the relative dearth and higher cost of industrial land in the more central positions.

External trading

Nevertheless, external trading conditions appear to be improving; the resilience of Midland industry has always been a noteworthy factor and the ability and ingenuity of the Midland industrialist in overcoming setbacks and difficulties of all kinds is well known. Despite therefore the adverse situation in some respects, it can be anticipated that there should be a reasonable market in industrial property in the next year or so with, however, the premise that buyers will become more selective.



A typical unit on Bullock Trading Estate, Fryers Road, Bloxwich, Walsall, Staffs., an example of a new trading estate close to the Motorway.

A factory and warehouse in Hatfield, Hertfordshire, which is being refurbished for letting in sections.

Legal controls need revision

By A. G. BYFIELD, Managing Director, Lyon Group Ltd.

Government intervention in the location of industry has its popular expression in the Industrial Development Certificate, *the granting or withholding of* which excites a variety of comment. An unsuccessful applicant for a certificate probably has a very great deal to say—usually privately, but public comment on any certificate decision can on occasions be both vociferous and pointed. Some complain that not enough are granted, others that too many are granted, and some would wish to see the back of them. What precisely, therefore, is happening in this relatively crude practice of location by certificate?

From the beginning, control *over the location of industry* has caused conflict. First, even if an Industrial Development Certificate were granted there was no guarantee that the local planning authority would grant permission to its planning application. Secondly, there were conflicts over priorities. Development areas had almost the only priority, but eventually new towns, then expanding towns, were added in as second and third priorities. The only exceptions were those industries, of whatever location, which could conclusively justify a *need to remain and expand* in situ.

Thirdly, the conflicts of priorities took on a new turn when regional development began its current vogue, and the old *Board of Trade, the Department* of Economic Affairs and the Ministry of Housing and Local Government appeared to face in different directions.

Fourthly, there was the political differences between development districts and development areas. The former were those labour exchange areas whose rate of unemployment exceeded 4 per cent, and the latter were whole geographical areas so designated, irrespective of individual local unemployment rates.

Fifthly, there is the total lack *of attention to the remodelling* of existing obsolescent factories, where buildings and capital can not rot away if they are not fortunate enough to be located in a development area.

Certificate needed

This latter point is worthy of further amplification. Although some remodelling of an obsolescent factory can take place with or without planning permission and without an Industrial Development Certificate, the rebuilding of it would require a certificate prior to making a planning application.

An owner-occupier might just be able to get a certificate, but his chances are slim, and certainly totally unpredictable. This is a disastrous aspect of Government policy, for it condemns *often highly* sophisticated processes to be operated from obsolescent or obsolete premises and so prejudice their product in a competitive market —even more so where the competitors are foreign, because they are not subject to the same foolishness. Even if the factory is inside a development area where IDC's are freely given, the applicant would have to prove some economic and social gain before a certificate for rebuilding would be granted. In my opinion, the inflexibility of control by IDC's has probably caused untold harm to British industry, and sensible relaxation in the restricted areas would enable industry to be much more competitive, without the need of a penny of taxpayers' money being paid by way of grants and the like.

On top of all this there is the seeming inflexibility of the sole criterion for granting or withholding an Industrial Development Certificate; that is the (now) Department of Trade and Industry have to be satisfied that the development can be carried out consistently with the proper distribution of industry. This is very unsatisfactory. The "proper distribution of industry" is not in itself a philosophy to be applied with care and skill, and it is not a strategy worked out to the nth degree. It is really no more than a crude set of priorities—development areas, *new towns, expanding* towns, and ad hoc cases. This leaves very little room in which an applicant can manoeuvre, and if he cannot slide into one of these categories he is out; and even if he does fit in he still has to prove that there is an economic and social gain, for example, more labour-intensive than capital-intensive and that new jobs will be created. It is this inflexibility (although the DTI consider themselves to act quite flexibly) which is causing the present outcry. The DTI recently published some notes on IDC control, but they rarely take a prospective applicant any further along the road than is just explained.

West Midlands

Take the West Midlands. Their recent economic appraisal (published on June 8, 1971) made the point that the West Midlands' share of science-based growth industries *like* chemicals, scientific instruments, radio and electronic appliances is no greater than 0.5 per cent., and that Government policy must include the encouragement of new industry as an insurance against technological obsolescence. Yet the Industrial Development Certificate system, by the application of its inflexible criterion, directs expansion away from the Midlands to Scotland and Wales. This might be good for Scotland and Wales, but two sick people are not cured by undermining the *well-being of a healthy person.* The DTI notes show concern for the rural fringes of the conurbation and for new and expanding towns, but they are silent on bringing newer industries into the region.

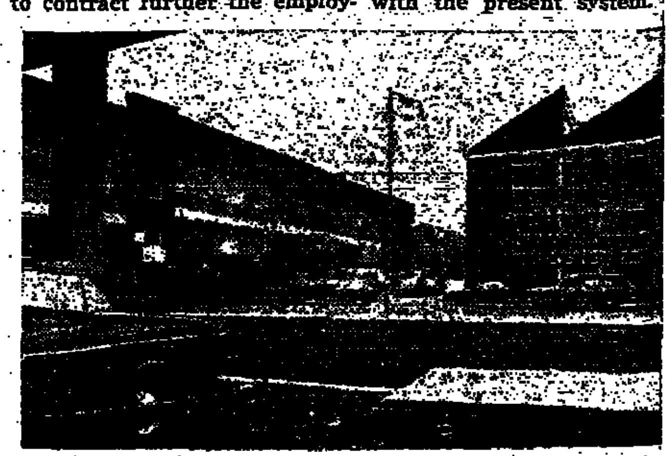
The same criticism to the control also applies to Greater London, especially East London. A leader in the Estates Gazette (February 2, 1971) said that the East End has been so doctored and planned that its once-flourishing industry has dwindled to an alarming degree. The East End is now almost a dormitory suburb; industries were forced to move out by bomb damage and post-war re-development and the docks are closing and moving further down the river. The labour force is moving into a buyers' market, and the East End has become an economic problem area. Yet again, the policy is to contract further the employment capacity of Grea[ter] London and the South East a[nd] the DTI notes again only re[fer] to favoured schemes wh[ere] increased productivity can [be] achieved by the reduction [of] the labour force.

The point is that some ind[us]tries could produce a natio[nal] gain by moving from a n[on-]assisted area to an assisted ar[ea] but not all industries can. [...] it seems that this relativ[ely] mild degree of sophisticat[ion] of control is lacking. Of [the] total floor space granted [...] IDCs (10,000 square feet [and] over) in the years 196[...] inclusive, the Development [and] Intermediate areas have ta[ken] 42, 42, 37 and 44 per c[ent] respectively. Of the floor sp[ace] permitted in the non-assis[ted] areas in the same years (ab[out] 60 per cent. of the total), [...] 32, 35 and 37 per cent. w[ent] to the South-East and 13, 18 and 15 per cent. to the W[est] Midlands. But these figures [for] the two regions mask the important fact that new indu[stry] (science-based and fast-g[row]ing) is deterred from becom[ing] *established there,* and that [...] and large only capital-inten[sive] industries have much chanc[e of] expanding in situ.

Clearly, the time has c[ome] for a complete overhaul of [the] control of location of indu[stry] by central government. Equ[ally] so this control should not [be] abrogated in favour of l[ocal] authorities, for it might [be] better to have a consistent f[orm] of control, even if unsati[sfac]tory, handled by a cen[tral] government than control e[xer]cised at the whim of each [...] authority that might have o[ther] *expediencies in mind.*

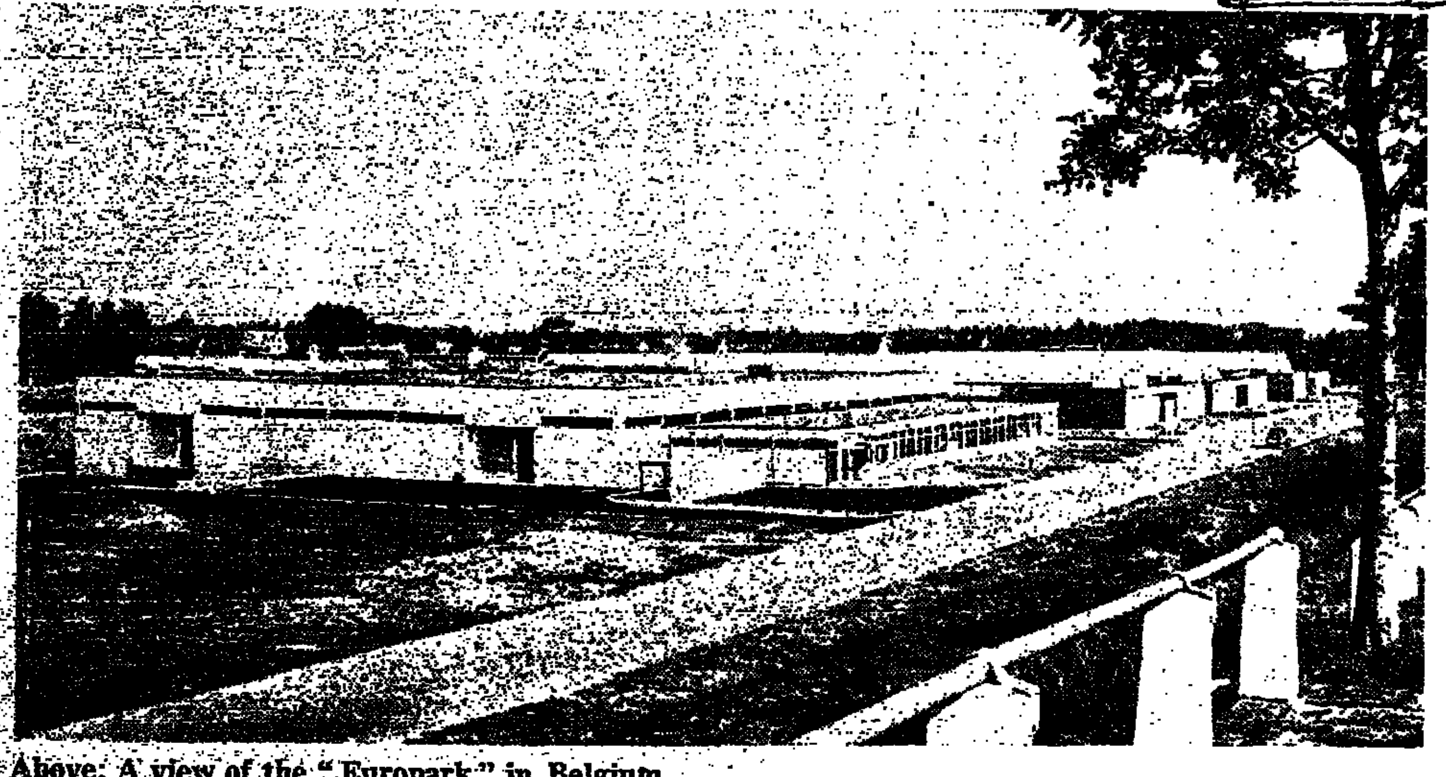
Other controls

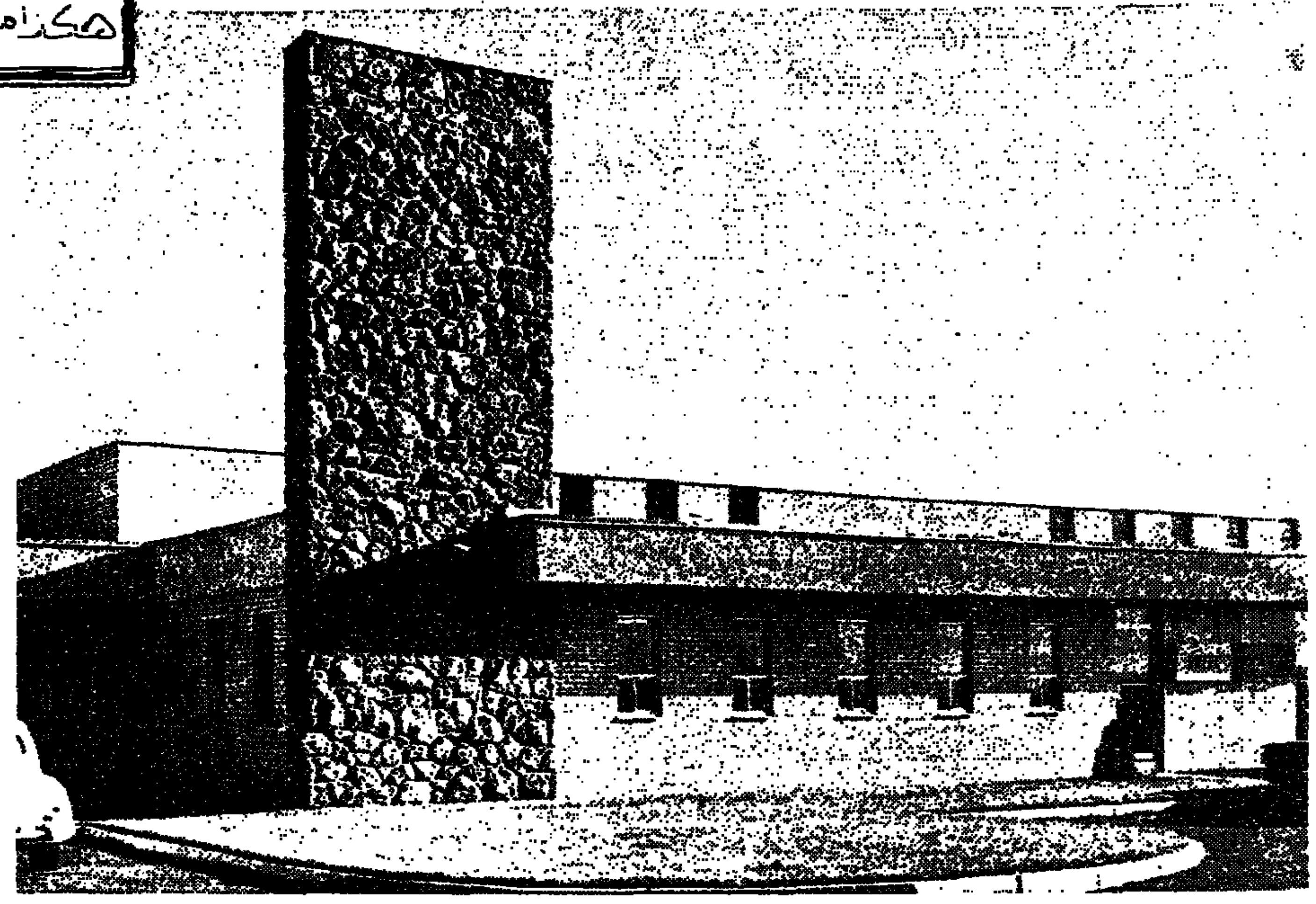
Alternative forms of con[trol] might be postulated for ex[ami]nation: abolition of ce[rtificate] control, and allow the ordi[nary] workings of the market t[o be] tested against the develop[ment] plans of the local plan[ning] authorities; the abolition of [the] present locational criterion [and] its replacement by a care[fully] worked out system of priori[ties,] standard and objectives, w[hich] would recognise the need[s of] each industrial district thro[ugh]*out the country;* the dev[elop]ment of the concept of gr[owth] centres which would [take] account of prosperous, s[...] and declining areas and con[cen]trate industrial growth [in] selected locations; locat[ion] control to be vested in [an] Industrial Location Auth[ority] which would comprise [not] allegedly omnipotent [civil] servants, but economists, [plan]ners and business admin[istra]tors, with a levening of pol[itical] comment; and finally, by pu[tting] a very high monetary pric[e on] an industrial permission [in a] favoured area and by givi[ng a] grant with the same permi[ssion] in a non-favoured area. [...] whichever way is chosen [there] is very little merit in conti[nuing] with the present system.



Completed refurbishing work on the "Glo[...] Hanger" at Croydon Airport.

INDUSTRIAL PROPERTY XI





Above: A view of the "Europark" in Belgium.
Right: A typical unit on the Slough Park, Malton, near Toronto.

Expansion overseas has rewards and pitfalls

By NIGEL MOBBS, Managing Director, Slough Estates Ltd.

Over the last decade U.K. industrial estate developers have been increasingly looking abroad for opportunities to be complementary to their home activities.

As a start it will be useful to define the term "industrial estates" as employed in this article, be they referred to as such, or industrial parks, industrial districts, trading estates or industrial zones. The best definition is from Dr. William Kinnard's book, "Industrial Real Estate," published by the Society of Industrial Realtors, Washington, DC, and it is as follows: "A special or exclusive type of industrial sub-division developed according to a comprehensive plan to provide serviced sites for a community of compatible industries. The industrial park, under continuing management, provides for adequate control of the tract and buildings through restrictive covenants and/or adequate zoning with a view to maintaining aesthetic value throughout the development." It is important to make this definition because, particularly abroad, many industrial zones are termed industrial estates, but they do not conform with the basic criteria set out in this definition.

There are, of course, common factors to be taken into account in determining the location of an industrial estate, in whatever country it may be established. Among these are communications — road, air, rail and in some areas on the Continent, water—the availability of labour, taking into account quality as well as quantity together with facilities for training, the general environment especially bearing in mind the requirements of senior management, the availability and cost of services (which, particularly on the Continent, can fluctuate widely from area to area) and finally the site conditions together with local building costs.

Slough Estates Limited, although by no means alone in the field, has wide experience among U.K. property developers in developing industrial estates overseas, and operates in Australia, Canada and Belgium. Each country has its own particular characteristics as regards fiscal and legal practices, building and planning rules and market conditions although, as already stated, there remain many common factors. The formula employed by Slough is the renting of industrial premises. The expression leasing—commonly employed in this and most English-speaking countries—often on the Continent carries with it the implied option for the occupier to purchase the freehold of the property after a given time, e.g. "Crédit bail" system in France.

Renting trend

Slough acquired its first tract of industrial land abroad at Melbourne in 1949, but the lack of utilities in the area prevented development commencing until 1966. Historically Australian manufacturers have preferred to own their freehold rather than rent, but there is growing evidence that there is a marked trend towards renting. Rents to the west of the city (an area yet to be fully exploited until the completion of the Westgate bridge) are in the region of 38p-43p per square foot per annum, with leases written for up to 10 years. The developer must be alert to the impact of rates and taxes levied on undeveloped industrial land, which can prove a significant additional overhead during the development stages. The boom area of Melbourne is to the east of the city, where Slough have recently purchased a 39-acre estate at Waverley. The interest in this sector of Melbourne is further evidenced by the recent acquisition of a prime site by the Ronald Lyon group.

Well-sited industrial land here is becoming increasingly scarce, and prices have escalated to between £17,000 and £24,000 per acre—an increase of some 25 per cent. over the last year or so. Rents for good quality premises are in the range of 52p-57p per square foot per annum. These land values are not surprising, and will almost certainly increase over the next few years because, with the natural spread of population to the east of the city, it is predicted that the ultimate natural centre of Melbourne will be some 13 miles to the east of the GPO building—in fact just where Brixton Estates, Lyon and Slough are located.

Slough's move into Europe in 1963 was a major step; not only was it the first U.K. Industrial Property Company to establish a major industrial estate in Belgium, but it was providing a facility—factories and warehouses for rent—which was generally new to Belgian concerns. Indeed, the reaction from national firms is still somewhat sceptical, but Slough anticipated from the start that its marketing policy should be directed to overseas companies establishing in Belgium. Some 80 per cent. of overseas industrial development in that country over recent years has originated from the U.S., and it is from that source that the greater part of Slough's 250,000 square feet of buildings are occupied. Experience has proved that a considerable measure of co-operation is extended to the developer—both by the Government and local authorities, and even in the relatively prosperous North (Flemish) area of the country—the Slough Estate is situated at St. Nicolas, near Antwerp—important fiscal incentives are made available to industrialists in the early years of establishment.

Leases are usually written for nine years (with the option to the tenant to break at the third and sixth years) and the present levels of rent at Slough St. Nicolas Estate are in excess of 65p per square foot per annum—adjustable quarterly in ratio to the index of retail prices. Land values vary widely—from the equivalent of some £5,000 per acre in the provinces to £40,000-£50,000 per acre for a prime Brussels location.

Three estates

The company's most successful overseas venture to date has, however, been in Canada, where three estates are operated at Toronto. Starting in the East with Ajax in the 1950s, recent purchases at Malton to the West of the city by the International Airport, and Markham on the extension of the Don Valley Expressway to the North, have brought the company's total land holding up to 280 acres. Although it is exposed to aggressive competition, the market is strong as evidenced by ever increasing land values around Toronto which vary from £12,500 to £35,000 per acre. Rental rates vary significantly depending upon whether the rent is expressed in gross or in net terms. In Canada it is particularly common for rents to include maintenance, municipal taxes, and other services. Generally rental rates vary from 35p per square foot to 72p per square foot depending upon location and specification.

Lease terms are usually for shorter periods than are prevalent in the U.K. or Europe but such short-terms offset the lack of rent reviews.

Industrial development in Toronto is very sophisticated and some of the most advanced design and management is to be found in industrial parks located in the suburbs. Currently, there is some uncertainty surrounding real estate development following the recently announced tax reforms, which will certainly have the effect of reducing the involvement of the individual investor, but institutional investors may well find encouragement in the incentives to invest in Canada.

Apart from Toronto and Southern Ontario, the ma centres of industrial interest a Vancouver, Calgary and Mo real.

Basic differences

Many pitfalls await the indu trial estate developer breaki into new territories abroa Unfamiliar building techniqu and planning procedures and r quirements; in some cas fundamental differences in bu ness etiquette coupled wi language problems: the pro sion of capital — the proble being accentuated by Bank England regulations on the e port of sterling to bo Scheduled and non-Schedul territories. Nevertheless, t experienced developer has t skills to make an impact many overseas territories, a an increasing number are fin ing that provided the nece sary "home work" is carri out, expansion abroad can be rewarding way of broadeni the base of their activities.

However, in the final analys success is very dependent up the economic strength of indi dual countries.

INDUSTRIAL PROPERTY XII

The refurbishing of old buildings

By MICHAEL PIDGEON, Managing Director, Three Stars Properties Limited

Refurbishing or revamping, as it is sometimes called, is basically as clear as crystal to the people who are carrying out the work, but to the layman it appears somewhat confusing, so perhaps it is wise to try to clarify the situation.

The refurbishing of industrial buildings *really came into its* own when the Industrial Development Certificate was introduced in 1962. At that time people were unhappy about being sent to the development areas and one of the ways around the legislation was to take up occupation in what could only be described as secondhand factories. The original refurbished units generally speaking were very poor and in most cases were nothing more than a paint-up and the factory floor swept out, therefore leaving the factory in no better condition than originally. The institutions obviously resisted *violently the acquisition of any* of these newly created "investments," and quite rightly so, even though in some cases the covenant situation, position and growth potential were excellent.

Increasing demand

Still the developers persevered, anxious to satisfy the increasing industrial demand, and at the same time creating a factory which would be acceptable to the institutions should they decide to trade it on at the end of the day. More sophistication became evident to the extent where a factory *with industrial use would be* stripped of the roof, brick walls and the floor ripped up, leaving the remaining steel frame to be painted and the walls and floor infilled with new materials. Certain local authorities objected to what they considered a rebuilding operation, so the developer in turn became a little more subtle and in certain cases did not remove door and window frames, but suspended *them from* the eaves of the portal frame with wire, while the walls were demolished and rebuilt.

More complex

The situation became far more complex. In North London there was quite a large, straggling factory which had *obviously been at one time a* farm building. In among the buildings there was an old-fashioned hay barn, 18 feet to eaves, which had industrial use due to its position on land which was zoned for industrial use. This building was carefully refurbished and is to-day occupied as a Class III factory.

Another example on the west side of London, where a certain local authority co-operated with a developer, looking in the opposite direction while he constructed a brand-new building inside what could only be described as a large wooden hut. The steel frame, walls and floor were constructed and on completion the wooden outer walls "*fell*" to the ground. During the course of construction the outer walls were propped up with scaffolding so that they would not collapse. When the new *building emerged, a small ancil*lary office block was added to the front. It would appear all interested parties were, and still are, quite happy, but this is obviously taking things to extremes and is an isolated case.

In a lot of cases buildings which are to be refurbished are poorly laid out and even with a great deal of demolition the end result is far from perfect. One of the main criticisms is the *eaves height, which is probably* in most cases between nine feet and 12 feet. This, unfortunately, is not acceptable on to-day's market, where 18 feet to 20 feet is the order of the day, since the major institutions would like to make this standard. Whether an industrial building should be 18 feet to 20 feet to eaves is open to dispute, but this is another matter.

Renovations required are in most cases rather extensive and it is necessary always to be on guard to know when to stop. There is a very fine dividing line between renovated buildings and refurbished buildings brought up to a modern-day standard.

Institutions happier

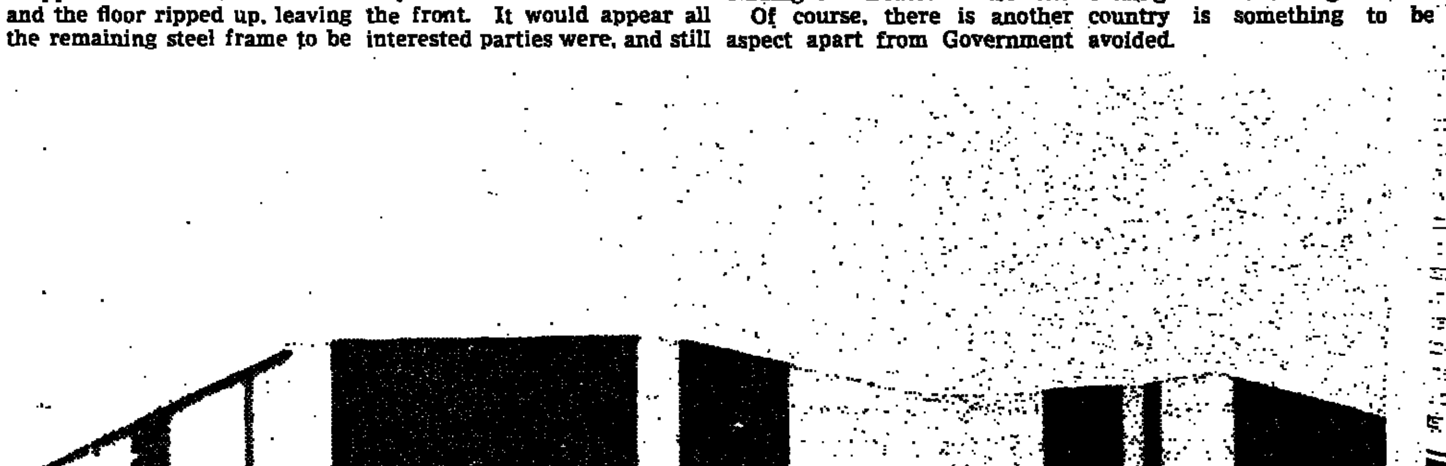
The institutions however are a little happier these days than they were. The eaves height still troubles them and the remaining life left in the buildings after they have been refurbished is always a constant worry to them. If it is assumed that buildings had a further 40 to 50 years of life, and that there was a good covenant in attendance, with a good position and growth, then a fair return *could be obtained on* trading the created investment.

Of course, there is another aspect apart from Government legislation which encourages refurbishment and that is, with rising freehold prices, the developer in certain instances *has little or no option* but to use raw materials he buys with the site, although the end result as far as planning is concerned is probably very poor.

More difficult

It is becoming increasingly difficult when dealing with various local authorities, all of whom place slightly different interpretations on the present-day legislation. Some will allow replacement, some will not. Some are in favour of refurbishment, and some are not, and those in this category resist in some cases quite violently by working to the exact letter of the law when considering a Building By-law Regulation approval. *Generally speaking,* the local authorities are in favour as it satisfies demand—they keep their local firms, and buildings are not left empty to deteriorate.

It would have been hoped that by now the Department of Trade and Industry would have had a change of heart and allowed developers to reconstruct the same square footage on a site as there was before the developer started with his planning. This surely must be right as it would allow a developer to re-arrange the site in respect of current day trends, that is, eaves height, provision for long lorries, circulation, etc. Surely the legacy to our children of poorly *designed industrial* trading estates throughout the country is something to be avoided.



A good example in East London of the modern type of warehouse.

Institutional investors and their influence

By R. A. STRACHAN, D. E. and J. Levy

It has long been recognised that the large institutions which invest in income-producing property tend to control the market in that commodity. More recently, the view has been widely aired that these property-orientated institutions are influencing new factory and warehouse development in a number of other less obvious ways.

It is of considerable interest to a would-be developer to examine the truth of this view. If the institutions do exercise some control, this factor must be taken into account when examining a development project. Even though finance for a new factory or warehouse is initially found from other sources, the institutional reaction to a project should be considered *ab initio* in case long-term or permanent finance should be required in the future.

Main areas

There appear to be four areas of institutional influence in new industrial development which merit serious consideration: the location of the new building, the financial standing of the would-be occupier, the type of building required and the total cost of the project.

Perhaps the least recognised of these fields of influence is in *the choice of location.* The demand from the institutions for good industrial or warehouse property in the South-East and particularly in the London area is *apparently insatiable* provided that the price is right. The number of institutions prepared to invest north of a line drawn through Birmingham, or west of Bristol and Gloucester could almost be counted on the fingers of one hand. Cynically, we tend to think that the nearer the building is to the pension fund manager's office the easier it is to sell. This accusation is, of course, unfair. The institutions are looking for both growth and income, and sometimes the former will take precedence over the latter. Recent *history has shown that* industrial rental levels have surged upwards much more rapidly in the South-East than elsewhere in the country. Curiously, the availability of virtually unlimited funds for development in the South-East has had no steadying influence on rents because of the counter-influence of land shortage.

If you are looking for institutional finance the adage that the rich get richer and the poor get poorer has a particular application. The larger and more successful the company requiring the finance the easier it will be to obtain and the lower the rate of interest. An unquoted company will often have great difficulty in raising *institutional finance for a new* building even though the proposed development is financially sound and the company willing to pay a proper return. A large company wishing to do the same but perhaps on a larger scale will normally encounter no obstacles. Thus it appears to be the role of the institution to encourage the establishment and at *best to ignore* the up and coming. That is not to say that finance is not available in small parcels to a young company, but *it is more likely to be forth*coming from, say, ICFC than from the traditional sources of property finance. Such alternative sources will tend not only to require a good rate of interest on the money invested but also some measure of control or stake in the equity of the company.

Pension funds

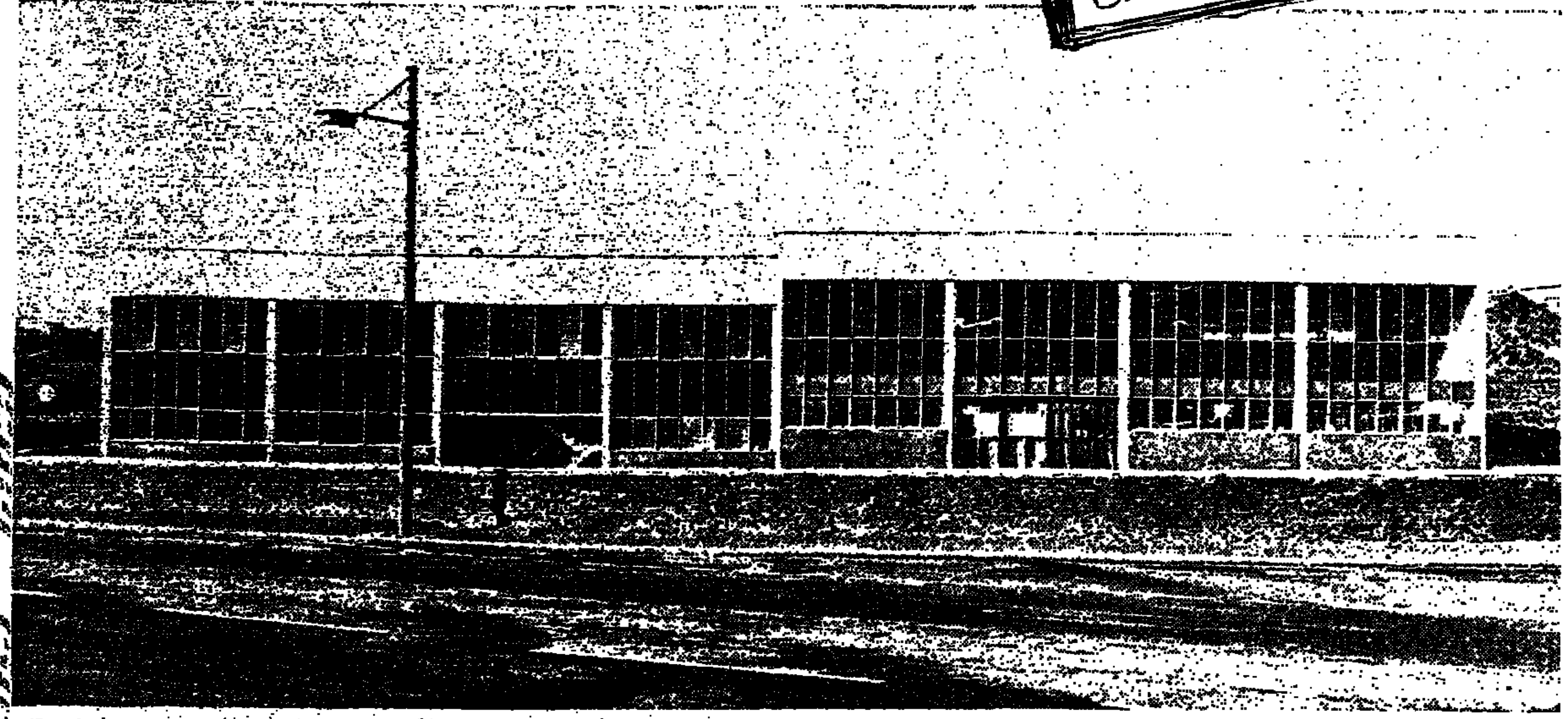
Fortunately, there are still a number of pension funds willing to invest small sums of money in property and there are always a few new recruits so, while the big institutions may give the lead and establish *the general* trend, they are by no means in a monopoly position.

However, it very soon becomes evident after knocking on the doors of a few pension fund and investment fund managers that they are not looking in the main for a property investment unless it involves them in a very substantial sum of money. In general it is easier to raise £1m. than £100,000 and to raise less than £100,000 from the larger institutions is becoming virtually impossible. Thus, it is fair to *say that a company requiring* to build a small building or a number of small buildings will have difficulty in obtaining institutional finance, regardless of the standing of the company.

Funds such as the Hanover Property Unit Trust and the Hambro Abbey Property Unit Trust, which have available to invest perhaps as much as £20m. per annum, would run into very obvious difficulties if the cash were invested in lots of £50,000. There is persuasion, therefore, *to build bigger buildings and to* concentrate development on one site, and a disincentive to establish numerous small factories, particularly in remoter areas.

Property-owning institutions are self-conscious. Pride of ownership enters their calculations. They like landscaping and lawns. They are particularly keen on cavity brickwork, well-built buildings with good architectural features. Many of these ambitions do not coincide with those of the industrialist, who will want to build a building as cheaply as possible, requiring only that it should *carry out its function* efficiently. A firm requiring a large open yard for steel storage and a lofty, custom-built structure with travelling cranes will encounter great difficulty in satisfying an institution as to the quality of building to be erected. Conversely, a light industrialist in the electronics field who wants a good-looking building to attract labour and to give his company a better image will find no difficulty in financing his building. Thus the heavy end of industry is being starved and the light end *being over-fed from the insti*tutional platter.

To summarise, the institutions' appetite is best whetted by a new brick-built, multi-purpose building in the London area occupied, say, by ICI and involving an investment of £1m. Each variation in this menu will result in progressive unwillingness to invest. From these principles flow the undoubted influence of the large institutions on new industrial development.



The South Bradford Trading Estate, developed by Amalgamated Investment and Property Company Limited.

Urgent need for research into marketing

By ANTHONY P. GRANT, Grant and Partners

In an economy lacking in growth there are bound to be relatively few companies seeking new factory and warehouse accommodation, especially outside the prosperous South East region. Many developers and agents whose letting programmes are behind schedule are critically examining traditional marketing techniques, and intense competition for tenants is leading to more sophisticated methods of promotion.

Combined with a generally stagnant economy we have a gross over-supply of industrial and warehouse accommodation in many parts of the country. A brief look at how this came about will help to point to an urgent need for careful market research which is, in my view, essential for successful promotion of industrial property as well as selection of new sites.

The virtual stampede into industrial development that began around the middle of 1966 was due largely to other sectors of the property market being unable to absorb the energy and resources of property and building companies. The Labour Government's office development restrictions; the housing "mortgage famine"; and an institutional bias against secondary and neighbourhood shops were all having a serious effect on the volume of business available. By contrast, the first generation of post-war industrial estate developers—Percy Bilton, Ronald Lyon, Westminster Construction and Eldonwall—were making steady if not spectacular progress. They were now joined by relative novices who had had their training in commercial and residential property. In the majority of cases these new developers seized upon the "motorway image" as representing the only criterion of importance in site selection. Using the ample funds dispensed by the institutions at rates as low as 7½ per cent. they rushed to acquire land for factory/warehouse estates all over the country. Virtually no research was done regarding likely demand and new projects were being commenced in such numbers that competing regional sources of supply planned for the period of any given development could not be readily identified. There arose a national surplus of new factory accommodation with many undeveloped plots of land attracting large interest payments.

Detailed statistics

To-day, as a result, developers using new sites or planning promotion of existing schemes are having to realise the need for a detailed, statistical examination of their market. They should discover which categories of firms are likely to be interested in taking space; the size, height and specification of building required; and the most influential business factors. Publicity should then be directed towards potentially responsive companies in a form that emphasises the most relevant advantages to them. It is no good shouting about proximity to a motorway when tenants are going to be concerned with the quality of local labour or the spending power of the regional population.

In comparison with the methods used in marketing other products—even shop and office property—the promotional techniques of industrial developers have evolved very slowly and are still to-day relatively unsophisticated. As always, there are one or two exceptions. For example, English and Continental Property Company have begun to apply to their industrial schemes, such as Widnes, a suitably adapted version of the regular market research exercise they employ very successfully in their housing developments. However, most companies still seem to rely on "Agents' comparables."

Promotion forms

Industrial estate promotion has traditionally taken the form of large advertisements in the national Press; "To Let" boards on site; and circularising of agents and main industrial companies with duplicated particulars. The last five years have seen property pages grow in almost every national daily newspaper as well as the birth of specialist property journals. This has led to a general stepping-up of advertising expenditure but inevitably the overall effect has become somewhat diluted. The industrialist cannot be expected to study page after page of display advertising and the developer cannot possibly know where he is most likely to score with a particular scheme. The concentration of numerous property advertisements on successive pages on a certain day of the week is probably most useful to agents keeping track of the market and replenishing their registers. With so many advertisements appearing, some developers felt it necessary to resort to "gimmicks" in an effort to be noticed. In industrial advertising, for example, cartoons were quite often used and were once acclaimed as original and amusing. In certain instances the advertisement was even printed upside-down! However, this style is probably now obsolete.

In direct mailing, too, gimmickry has played its part. Managing directors of industrial companies have been subjected to cardboard models of factories or complicated jigsaw puzzles to solve in order to locate a new industrial development. Various kinds of "bargain incentives" like free fork-lift trucks have been tried but in many cases they have been too far removed from the real needs of prospective tenants.

For the developer now faced with the prospect of the autumn season for promoting his industrial schemes, modern areas of marketing fall into four main categories: advertising, mailing, promotion on site and "image building."

As we have seen, in order to direct one's budget effectively there must first be a detailed investigation into the types of industries and sizes of firms likely to be attracted by the location and facilities of the estate being offered. The categories of firms thus chosen are then reached through specialised trade journals, associations and local Chambers of Commerce. Selected property Press media are also used for advertising so that London and regional agents are constantly reminded of the estate. The importance here is that the site's geographical and economic advantages in relation to the potential market should be fully known when it is first acquired and not learned from actual lettings after years of expensive and largely mis-directed publicity.

Mailing patterns

The trend in mailing is towards brevity and including as little accompanying "literature" as possible. The form will vary from estate to estate but the importance of letters actually reaching the managing director, estates manager or company secretary cannot be over-emphasised. A personalised form must be adopted and the promotional budget should allow for repetitive "follow-up" letters. These gradually imprint the name of the estate and its developer on the minds of key businessmen and keep them in constant touch with progress on site. The best news is always that of a new letting—preferably to a nationally-known concern—but this is often overdone as if the developer is amazed at his own good luck and the tenant's judgment in choosing his site!

Having decided to inspect a particular industrial estate, how often does a prospective tenant arrive on site only to find it untidily covered with piles of building material and with little sign of the estate road, landscaping and attractive entrance highlighted in promotional literature. Most appraisals and and specifications allow for tree planting, fencing and prestige (sometimes illuminated) estate signs, street lighting and footpaths, but in the majority of cases these relatively cheap items are left until the estate is virtually completed and let. Surely the correct method would be for these essential promotional aids to be of priority at the commencement of the development. Agreed, they inevitably suffer damage from construction traffic to the extent that they may require replacement before the last unit is finished, but their cost compared to heavy interest charges on vacant property is almost insignificant. The developer's apparent reluctance to demonstrate the high standard of finish of his own scheme often results in the loss of tenants who cannot easily read plans or are simply unimaginative.

The free editorial space available in several newspapers and journals is used surprisingly seldom to announce anything but completed projects. It is in "image building" that much of value is being borrowed by the new industrial developers from the office, town centre and even residential markets.

Their well designed advertisements, topping out ceremonies and show houses as well as extensively publicised cocktail parties, are easily adapted to the promotion of factories and warehouses. A recent cocktail party given by Amalgamated Investment and Property Co. Limited to launch the South Bradford Trading Estate was a resounding success although held in a warehouse without special decorative finishes.

An unusual and easily remembered image for an indivdual estate is, of course, of tremendous value. Who really cares whether or not Eldonwall's Crick development was chosen by a computer. The important thing is that for a company needing access to the M1, M6 and M45 motorways this estate now immediately springs to mind through successful promotion.

To conclude, in a weak market developers are having to regard marketing as being an item of major significance in project appraisals. This calls for an expenditure of up to 10 per cent. of the first year's rental income, using market research at original conception and keeping their schemes under constant and flexible review.

INDUSTRIAL PROPERTY XIV

Learning to live with the changing ways of planners

By E. E. TAYLOR

"REFUSED"—how often have industrialists faced this depressing word after months, or even years, of work on new plant or buildings? Depression and frustration is even greater when the refusal decision is made by the Secretary of State for the Environment, thus marking the clear end to at least a year's work.

Since the war, almost all industrial development of significance has required the approval of the Local Planning Authority, this being the Council of a County or County Borough, given powers of planning control by a series of Town and Country Planning Acts.

For centuries, industrialists made their own decisions in deciding not only what goods to produce, but how and where they should be manufactured. They experienced little influence or control from outside authorities until public opinion, shocked by the adverse effects of the "free for all" industrial revolution, began to have its voice heard after the first world war, started to influence parliamentary decisions in the 1930's in favour of town planning, and was responsible for the iron hand of control imposed by the Town and Country Planning Act 1947. The method of implementation of the Act and its successors has varied from government to government and Minister to Minister. The results were wide changes in policy from control by central government of the smallest detail to the present day emphasis on local planning, from economic planning to the current environmental lobby led by the Secretary of State for the Environment. A developer has little choice in these circumstances and must learn to swim with each change of tide.

Legal limits

How does the industrialist handle the problem? The first essential is to establish the legal limits of this control.

Development as defined in the Town and Country Planning Act 1962, the principal controlling statute, is the "carrying out of building, engineering, mining or other operations in, on, over or under land, or the making of any material change in the use of any buildings or other land."

Certain activities are, however, ruled to be "not development" *in the Act and benefit an* industrialist as follows:

First the carrying out of works of maintenance, improvement or other alteration to a building, structure or erection, providing such works affect only the interior of the building, or do not materially affect its external appearance.

Secondly, certain *changes in* the type of industrial occupier are also deemed not to be development.

Further relief is given by the provisions of the General Development Order 1963 which defines certain industrial activities as "permitted development," thus removing the requirement to obtain consent from the local planning authority. These include, under certain conditions, the installation or erection by way of addition or replacement of plant, or machinery, or structures, or erections of the nature of plant or machinery, the limited extension or alteration of buildings and the continued deposit of industrial waste on land used for that purpose on the July 1, 1948.

In considering a proposal for development, a planning authority has to have regard to its development plan and "any other material considerations."

The development plan is in two parts, these being, until recently, the familiar 6 inches to 1 mile scale town map, which currently shows in some detail the allocation of land for industry, housing and other purposes and the "Written Statement" of the intentions of the authority. It is the second document which is often the most important and will be increasingly so, as new and more vague strategy plans replace the town maps.

The Written Statement may define when the authority proposes that land should be developed, and often enlarges upon an allocation of land for a specific use. For example, it is not unknown for provision to be made in a development plan for a specific type of industry, *as in that for Essex, which* makes reference in the Written Statement to the reservation of land alongside the Thames river side *for industry of national im*portance requiring deep water facilities. Other restrictions may include the reservation of land for the relocation of non-conforming industry from, say, the central area of a town.

It can be seen, therefore, that the allocation of your chosen site *for industrial purposes may not, in itself, be the* end of the problem.

A most useful document prepared with the development plan is the "Written Survey and Analysis." This does not form part of the statutory documents and is *often not* available for purchase although access to it can usually be obtained via a diplomatic approach to the planning officer. Containing considerably more detail than the Written Statement, it often reveals the thought behind an apparently absurd restriction imposed by the Development Plan.

The value of a development plan to the industrialist is severely limited for several reasons. For example, most development plans are out of date, and they normally contain allocations of land for general industrial purposes and local needs. They cannot be expected to provide for the infrequent and unusual demands of, say, a mineral processing industry.

Wide variation

As one can imagine, the "other material considerations," will vary widely from authority to authority, and planning officer to planning officer, and in some cases have to be seen to be believed.

Such matters as the traffic to be generated by the industry and the suitability of the existing road *system to absorb it*, are carefully considered by local authorities. The control exercised under this heading relates not only to traffic safety but to environmental aspects, such as the desirability of excluding heavy industrial traffic from residential areas. The authority will usually consider the possibility of improvements to a road system to cater for the traffic changes necessary to accommodate the new industry. It is, *however, quite common practice* for developers to be asked to pay for, or at least contribute to, *necessary road improvements*. Vehicle parking, access design and servicing arrangements are important factors considered by all local authorities.

Air, water and noise pollution—the Alkali Inspectorate is the responsible authority for the first of these, river authorities for the second and the public health authority for the third. The Planning Authority can, however, impose conditions or even *refuse an application on* any of these grounds. Before doing so, it usually receives expert advice from the three bodies named, although the use of independent consultants is becoming more popular.

Total concept

Building design is strictly controlled by local planning authorities who usually employ qualified architects to advise members. *Some, however, rely* upon advice given by a local architects panel, others follow the principle that one does not have to be a hen to distinguish a good egg from a bad one, and operate a system of architectural sub-committees of selected members! Attention to design both in terms of individual buildings and total concept is therefore important. Gone are the days of the "cheap and cheerful." One cannot but question whether this rigid control is not responsible, to a large extent, for the mediocrity of our present day building design.

Equally important in general terms, and probably more important in the case of capital intensive industries occupying hundreds of acres, is the question of landscaping. Unfortun*ately, there appears to be wide*spread misunderstanding that the object of landscape architecture is to achieve the complete screening of an industrial complex. This can never be achieved, nor is it desirable, for industrial architecture can be as stimulating as domestic building design.

Employment, its availability and suitability, is also a matter being considered currently in a more sophisticated manner than hitherto. The planning authority may be concerned with a particular unemployment problem, while the industrialist is more interested in the suitability of an area in terms of available skills and competition likely to arise from other employers for those skills.

The availability of services is particularly material both to the industrialist and local planning authority, but in different ways. Once planning permission has been obtained, an industry may have a statutory right to have a service provided. The imposition of a new substantial and unexpected demand can, however, result in an unbearable strain on, for example, a water or electricity undertaking to the detriment of both the industry and the general public.

The ability of a local authority to provide finance to implement its proposals may have severe repercussions on a private developers' programme. For example, a new highway capable of absorbing the additional traffic from a new plant may be planned yet lack of finance can considerably delay its construction.

All the foregoing are matters for private negotiation between the industrialist and the various public authorities, led by the local planning authority. This inevitably extends the time taken to receive permission and may result in complete failure. In the event of dispute between the parties or a strong public lobby to the Secretary of State, negotiations and proposals cease to be private or local, for a public inquiry will almost certainly be held with its consequent expense, delay and uncertainty. At such an inquiry, proposals are open to searching cross-examination by lawyers highly trained in the art of driving the proverbial bulldozer through what, on the surface would appear to be an industrialist's reasonable requirements. Of greater conc[ern] [is] the fact that decisions are necessarily made, as in a c[ourt] of law, on the evidence [pre]sented. They are mad[e] [at] Government level and may [be] from political motives or the particular whims and fa[ncies] of the Inspector although [with] the exception of mine[ral] [...] he does not make [the] decision.

How does one redu[ce] [the] possibility of this long [...] frustration or failure? I [...] suggest that you feed into [the] decision-making process [...] new factors, or external [influ]ences at the earliest date [to] achieve this, however, o[ne is] faced with the problem o[f] [the] non-existence of a [...] authority responsible for [plan]ning, traffic or environm[ental] matters with powers to a[...] private interests on a nat[ional] scale and, more particular[ly] give the independent a[dvice] required by the industrial[ist].

The absence of such a se[rvice] has led to the development [of a] select group of consultants [...] services geared to the parti[cular] needs of industry and [com]merce. Although their nu[mbers] are limited, the technical [...] available are at least as [good] as those the developer fac[es in] his negotiations with the [...] authorities, and in some [cases] are better. These firms [...] regularly employed in a[...] local authorities and in o[...] were development contr[ol con]sultants to the Surrey C[ounty] Council for the Metro[politan] Area up to the time [of the] creation of the Greater L[ondon] Council.

At the present time, [...] firm can offer all the nec[essary] *skills for negotiation and* [...] on the wide range of f[...] which extends to such ex[...] as land use planning, traf[fic] and noise pollution. S[...] informal consortia, ho[wever,] have been created to off[er the] necessary services, to[gether] with the advantages [...] from years of collective [nego]tiations with public bodie[s].

The manner in which [...] advice can be provided f[or the] industrialist is probably [best] illustrated by reference [to a] case history, namely, [the] aluminium reduction [...] recently completed for Rio [Tinto-]Zinc, BICC and the Kaise[r Cor]poration of the U.S. The [prin]cipal consultants employed [were] a planning and traffic eng[ineer]ing firm and a che[mical] engineering firm, both [...] *London, together with* [...] consulting engineers.

Site location

The consultants joine[d] RTZ management and tec[hnical] committees at the earliest [stage] of the proposal and wer[e in]structed to carry out [...] detailed site location an[...] They were first given the o[ppor]tunity for the comprehe[nsive] study of similar plants in [Aust]ralia and the U.S. to tha[t pro]posed to be constructed i[n this] country. These studies cla[rified] the traffic and environm[ental] *factors to be considered i[n]* location study, and result[ed in] the early elimination of [...] sites. The extent to wh[ich a] company will use consu[ltants] depends upon the availabil[ity of] skills within its own org[anisa]tion. In this case, the sme[lting] of primary aluminium was, [to a] large extent, new to [...] although it had an intere[st in] an Australian smelter. The [con]sultants were, therefore, [given] wider responsibilities tha[n] necessary in all cases. [For] example, in addition to adv[ice] on government and local [plan]ning policy, traffic gener[ation,] air and water pollution [...] physical suitability of sites, [they] were concerned with the [...]ability of deep water be[rths,] harbour dues, distribution [...] and methods and manpowe[r].

The injection of [...] specialist skills at the sta[rt of] the project enabled a sho[rt list] of three areas: *Dunferm[line]*, Teesside and Anglesey [...] produced at an early stag[e].

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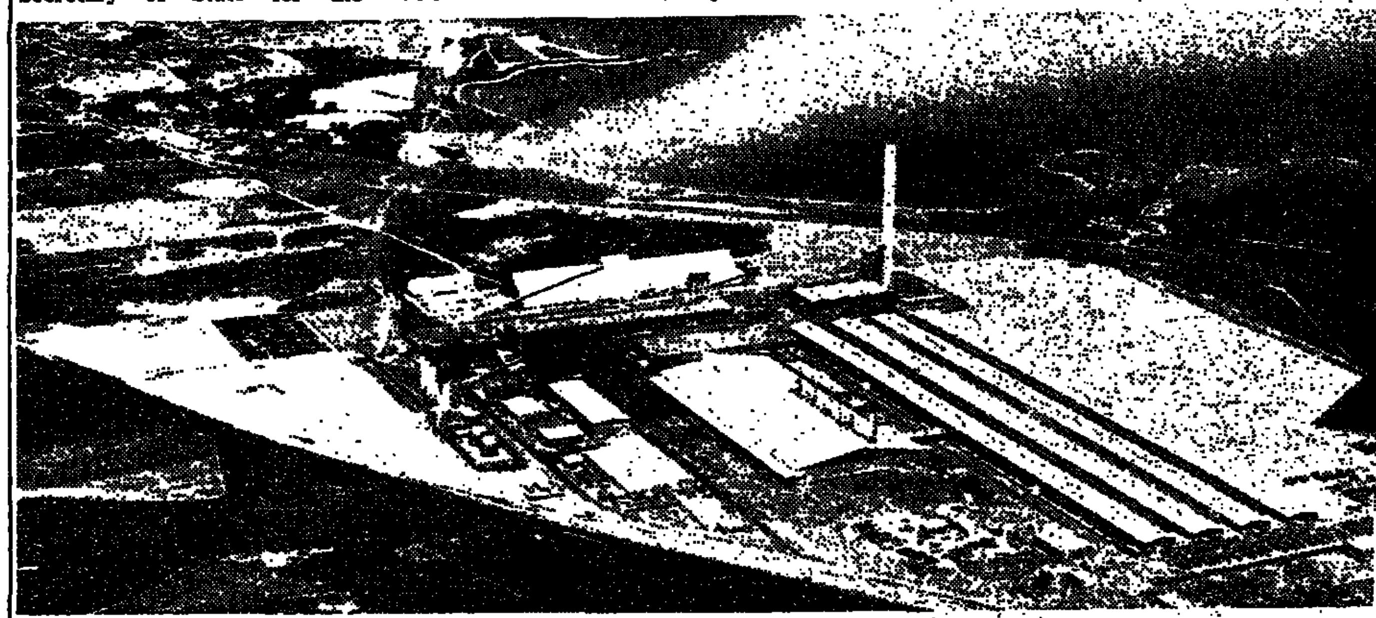

Aluminium plant at Holyhead, a good example of co-operation between developer and l[ocal] authority.

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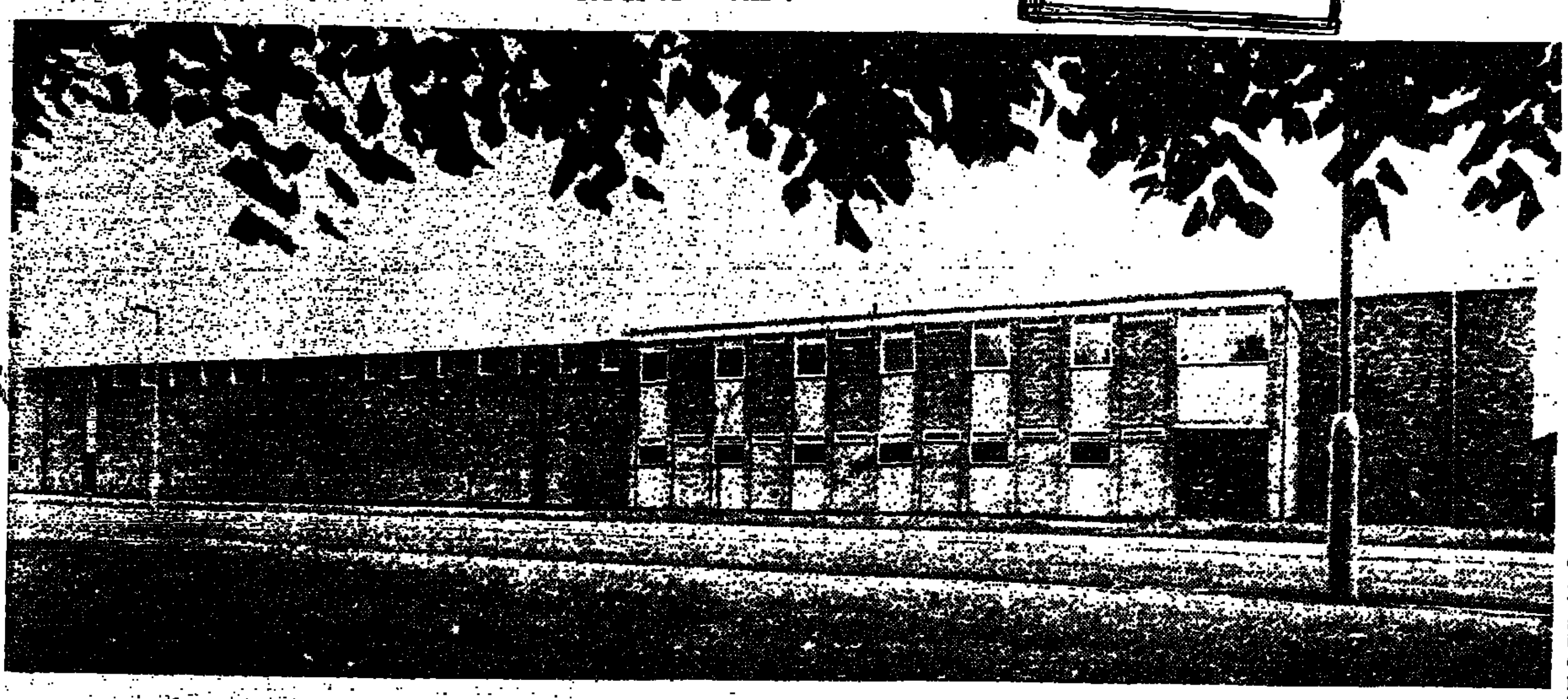


A Brixton Estate "speculative" warehouse let to British Domestic Appliances Limited on the Castle Estate at High Wycombe.

Era of ready-made factories

By H. S. AXTON, Managing Director, Brixton Estate Limited

Forty years ago no young man aspiring to Board status would ever have considered buying a ready made suit. Nowadays, the success of firms such as Aquascutum, Chester Barrie and many others catering for this sort of market shows the enormous change which has taken place. A similar picture emerges in connection with the construction of factories and warehouses. Many industrialists who previously would have insisted on a purpose built factory are now perfectly prepared to buy or lease a "ready-for-use" building. This article considers the reasons for this change in attitude and provides guidance on how to decide which of the two approaches is more appropriate in a specific instance.

It is not generally appreciated that the basic requirements of a good "speculative" building are identical with those of one which is "purpose built." Briefly they are:—

A well designed and constructed building with adequate headroom—16 feet minimum to eaves in factories and at least 20 feet or preferably more in warehouses.

Adequate car parking and loading and unloading facilities —the requirements of the local authority should, if possible, be substantially exceeded; American experience indicates one car space for each employee.

High grade amenities for staff —in the past only office employees got decent lavatories, cloakrooms and canteen facilities, but the present generation of factory worker rightly looks for similar standards.

Adequate office areas—with greater sophistication, industry now employs a much higher proportion of office workers to factory workers than previously. Office areas in warehouses can be substantially less than in factories but here again the demand is rising.

Some 'musts'

Good access—with the advent of larger road vehicles, good access becomes a must. This is where the modern industrial estate with extensive roads and easy access to the trunk road or motorway systems is coming into its own.

If time and money are not important factors, then a purpose built building must always be attractive. This is particularly so:—

1—where the nature of the firm's business necessitates a highly specialised building, for example a brewery or a chemical plant;

2—where a very high grade building is required for prestige purposes.

This solution can, of course, be a very expensive one, especially if the senior executives of the firm concerned have little experience of the problems associated with building new premises. It should, therefore, only be accepted after detailed investigation.

The alternative is, of course, a "speculative" factory or warehouse. The principal advantages are:—

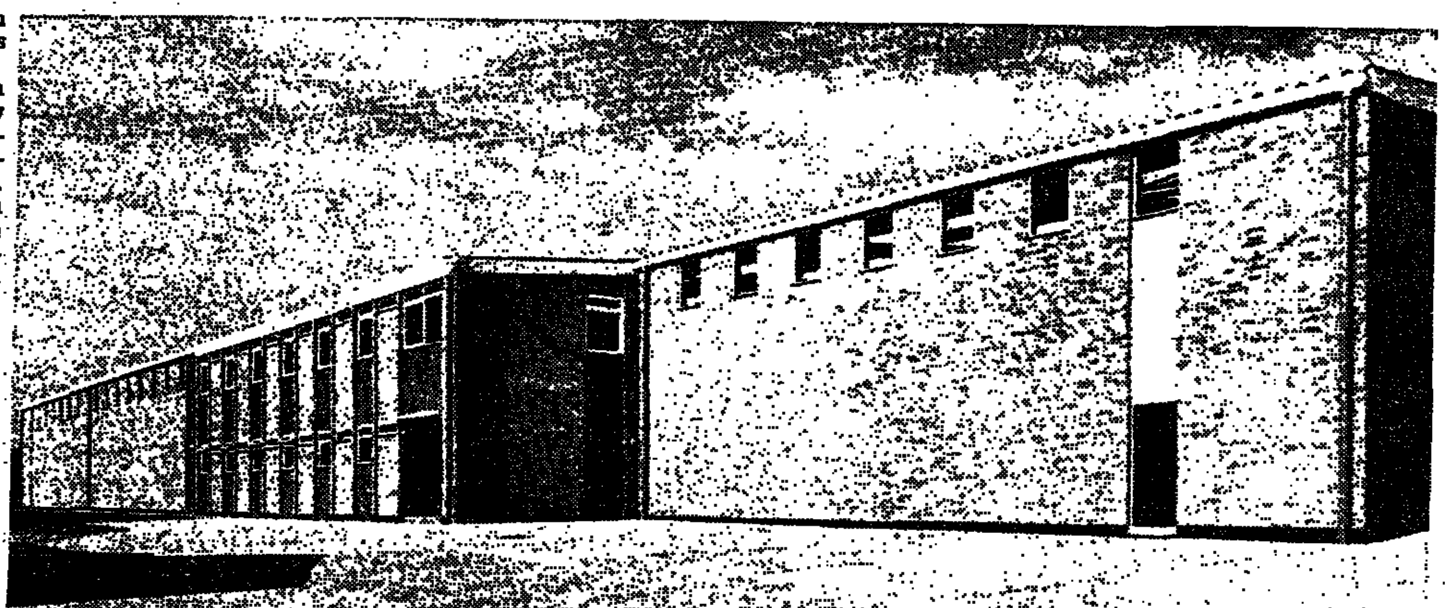
1—Availability of sites—the best sites are usually in the hands of the major investment and development companies. This is only to be expected as they are specialists in site acquisition and spend a great deal of time and energy in finding suitable properties.

2—Cost—the good developer has a tremendous fund of knowledge and experience of cost control and the best methods of creating a satisfactory building for a reasonable outlay, a situation which is ultimately reflected in the rent charged or, if the property is for sale, in the sale price. This is especially so in to-day's highly competitive conditions.

3—Time—this is probably the most important of the advantages of speculatively built buildings. Normally, the planning cycle for the introduction of a new product is considerable. Board meetings take place at wh'ch marketing, labour, plant and raw materials are discussed, but it is usually very late in the day before the question of premises arises. In the case of a factory with the problems of Industrial Development Certificates, planning consents and the like, the time span from conception to occupation is rarely less than 18 months, and frequently longer. Even developers with suitable land are rarely able to help here, as it is virtually impossible for them to erect factories of any size in advance of need, because of IDC restrictions, a situation which is undoubtedly to the disadvantage of the industrial community as a whole. To get over this, one or two property companies recondition existing buildings to "as new" standards and it is sometimes possible to rent premises of this sort.

So far as warehouses are concerned, speculative building is practicable. In consequence, there is a better than average chance that premises will be available when they are needed.

4—Flexibility. The principal danger of a purpose built building is that it may be quite unsuitable for any other trade or business other than that for which it was originally planned. Consequently, it may not only be impossible to sell (or in the case of rented property to assign) but it may even become unusable by the original firm for which it was built if the nature of that firm's business changes substantially. Developers are well aware of this problem and their experience over the years normally ensures that these disadvantages do not arise.



A "ready-made" factory let to Ideal Toy Co. Limited.

Best advice

What advice can one, therefore, give to a busy chief executive on this subject? Probably the best solution is to set up a small working party of the various interests involved and ask them to provide answers to the following questions:

How much space do we require?

What are the geographical limits of the area in which the premises must be sited?

Are there any suitable sites available in that area?

How soon do we need the premises?

Will the necessary permissions be forthcoming (especially IDC)?

Allowing for obtaining these approvals together with the appropriate building time, when will the building be ready for occupation?

Approximately how much will a purpose built building, together with the site, cost and what arrangements are there for financing it?

Can our requirements be fitted into an existing building (a certain amount of pressure by the chief executive may need to be exerted to ensure that this part of the exercise is properly carried out)?

Are any suitable ready-for-use buildings available in the area which are likely to be available by the time the premises are required?

How much will they cost in terms of rent or purchase price?

The answer to the question "purpose built" or "speculative" will almost certainly become apparent from the answers.

Planning—(Cont'd.)

Continued from previous page

resulted in the choice of a site which received the full support of Anglesey County Council, Holyhead and Valley Councils. The detailed design of the plant was then carried out using consultants' advice. While a small minority of the Anglesey population have expressed doubts about the introduction of a new capital intensive industry into what was previously a mainly agricultural and tourist area, the majority opinion is that the careful attention to traffic engineering, pollution control and landscaping should enable all three industries to be happy neighbours, and Anglesey will benefit from an economic boost on a scale not experienced since the construction of the ferry link with Ireland.

The latest project to be presented for formal approval after comprehensive work by a team of company executives and consultants is the Burmah/Total Oil refinery at Cliffe Marshes now being considered by the Kent County Council.

What is the limit of these consulting services? Probably the most common use of planning consultants occurs at public local inquiries into industrial projects. A study of the major ones shows this select group of experts regularly appearing to give expert evidence on behalf of a wide variety of firms, such as Shell, Total Oil, Unilever, Bovis, Mackenzie Hill, Imperial Tobacco, British Leyland and the Lyon group. Many developers of speculative industrial estates use consultants for services extending from negotiation with planning and highway authorities, to the detail financial appraisal of the project.

It is surprising how many industries have hidden capital assets in terms of land ownership. The extent to which they exist and can be realised is often best determined by the use of consultants for detail planning and financial appraisals and selling the proposal to the local planning authority. This advice reveals not only the most suitable use in financial terms, but the one which will face the least environmental problems.

In conclusion, successful industrial development depends to-day upon the satisfactory solution of many problems outside the expertise of the industrialist. This has resulted in the increased use of specialist consultants who understand the problems facing the controlling authorities. The use of these experts cannot guarantee success but it may reduce the delay and chance of failure. It will never turn an inherently bad scheme into a good one but you should obtain your refusal quicker!

INDUSTRIAL PROPERTY XVI

Property bonds are enjoying a boom phase

By KEITH LEWIS

One of the few ways a member of the public can obtain a direct stake in property, and have that property managed afterwards, is through a property bond. The normally inaccessible commercial and industrial properties at once become available owing to the size of the pooled funds available—and this type of investment medium is attracting considerable support at the moment.

Basically, the property bond is a single premium life assurance contract with property as the underlying asset, giving the policyholder not only an investment but also a modest amount of life cover—though the latter is probably a minor consideration. It is true to say that if life cover is the primary consideration then property bonds are not the answer.

So far the investment performance of the various bonds on the market has not been all that exciting, but the penetration achieved in the savings market in such a short space of time (about five years) has been phenomenal. And no doubt this owes a great deal to both the fact that the stock market suffered a two-year bear stretch and that the promoters have used relatively aggressive sales methods. It was estimated recently that £7m. a month is being pulled in by these groups—and this figure does not include the cash attracted in monthly premium property-linked policies.

Steady plod

Another factor that has probably contributed to the popularity is that, although investment performance by some standards has not been stunning, the trend has been a steady plod forward. And with many people burning their fingers in equities during the 1969-70 period this has filled the gap for a more sedate type of investment.

While the timing with Ordinary shares, even via unit trusts, is all-important, with property as the underlying asset this consideration is perhaps less vital—at least if history is anything to go by. This may well account for the fact that unit trust repurchases are hitting all-time peaks at the moment—possibly meaning a switch by investors from shares to property.

The accompanying graph, produced by M and G Securities (the second largest U.K. unit trust group) at the launch of its property bond, is fairly representative of the type of approach being used on the public. The chart was compiled after a study carried out specially for M and G by the Department of Land Economy of the University of Cambridge in collaboration with the Economist Intelligence unit. The "Shares" curve represents the Financial Times Industrial Ordinary index, with net income reinvested, and the Building Society curve represents a share account with a leading society. The property curve results from "detailed study of rental and capital values of commercial property throughout England."

The seriousness of the exercise coupled with an undeniably impressive graph illustrate the persuasiveness of the marketing—and many people have responded with their cheque books.

Belated effort

The property bond has almost become part of every life assurance salesman's range of wares. It is fair to say that many of the older established life assurance companies have entered this market because they have been almost forced to by public demand.

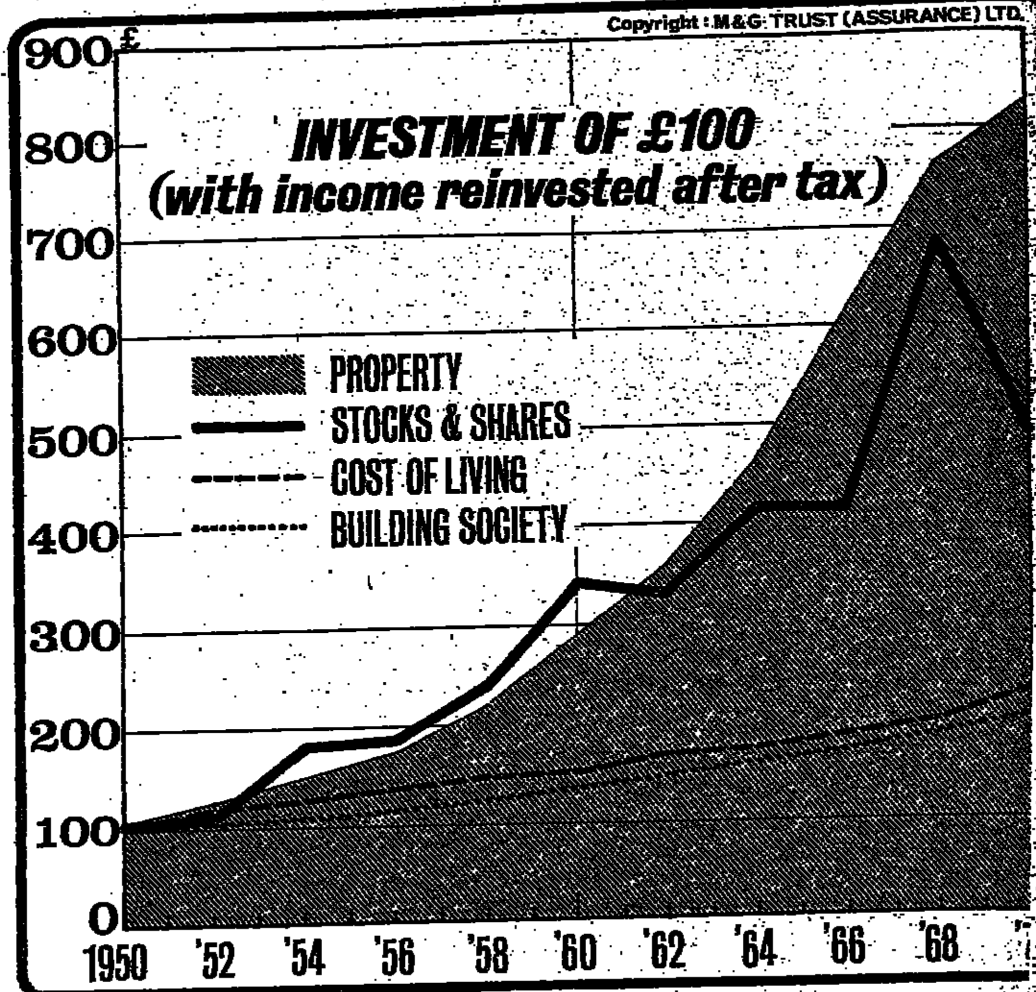
Even the larger unit trust managers (M and G and Save and Prosper, for example), which once looked down on property bonds as just a passing fad, have come to the conclusion they are here to stay. And, one by one, these groups have found themselves swallowing their former criticisms—and there were quite a few—and bringing out their own bonds in a somewhat belated effort to cash in on the craze.

The property bond has many of the attributes of a unit trust in that the prices of the units are quoted in the national Press and reports are sent out giving absolute disclosure as regards charges, properties and transactions throughout the term under review. In most cases, each property is listed (sometimes with an accompanying photograph) with the name of the tenant, the rent paid, the price paid for the property and the estimated current price. In many cases, a custodian for the assets has also been appointed. All this has added to the public's feeling of security.

It is significant, however, that very few property groups have entered this field and the initiative has come mainly from the life assurance companies. Nation Life is owned by the Freshwater group, but apart from this the only funds with expertise specifically in the property world are Robert Silk Property Bonds and Property Growth Assurance (the third largest group in the field). This is not to say that knowledge is lacking, however, since every group has either taken on its own property manager or has employed one of the large estate agents to look after the portfolio. M and G, for instance, has Property Investment and Finance (a public company) to select the investments. In addition, all the funds have independent valuers who are usually estate agents.

In so far as industrial property affects propery bonds, it is a fair estimate that most of the larger funds try to keep 25-30 per cent. of their portfolios in this sector. Property Growth Assurance has 10 per cent. at the moment, but this is due to a slight distortion after recent purchases and the belief there is that "the well-balanced portfolio should always contain industrial buildings." While the rise in rents on offices and shops has probably been given greater publicity and is recognised by most people as the glamour area, "there is absolutely nothing wrong with industrial property located on the right site and with the right tenant."

Pension funds and non-tax-paying bodies can often find excellent investments in this type of property owing to the high yield attractions.



Another tenant

The art, from the property bond manager's point of view, is to weigh up all the factors. For example, it is important that the property is not "purpose built"—in other words, not built to a specification that makes it unadaptable for use for another tenant in a different industry. Ideally, the property should not be built in a one-industry area—Bradford would be a good example—and road and rail communications should be up to scratch.

Planning controls are another consideration. While there is often demand for industrial property it is understood that resistance from local councils can be encountered.

Other things to watch for are if the area is likely to benefit in the near future from an increase in industrial requirements. A property does not have to be modern provided it fulfils the basic requirements and one storey buildings with car parking facilities are a sought after commodity.

Hambros Bank, which probably has one of the loudest voices in the property fund management business—it looks after the largest fund, Abbey Life's which tops £60m., and also Hambro Life's—expects industrial property to continue to show good growth for the next five to six years.

At present, there are few specialist funds in the property bond sphere. Property Growth Assurance runs an Agricultural Land Bond—though this has not exactly been a raging success with only around £70,000 taken in over twelve months—and there is believed to be a new fund on the way investing only in development land. So far no one has suggested a fund specialising in industrial land, but then it is early days yet And anyway, as has been found with unit trusts, it is the broad-based funds that give the best all-purpose performance over the longer term.

As regards the future of property bonds at the moment this will depend largely on the findings of the committee looking into unit-linked life assurance under the chairmanship of Sir Hilary Scott. The many criticisms of property bonds in particular have sparked off the formation of this committee with a view to determining how well the existing regulations prevent exploitation of policy-holders.

Sales method

Many areas of the property bond business have come under fire but the main issues have been on the questions of liquidity, the accuracy of valuation and the sales methods. Evidence has now been submitted to the Committee by most of the leading exponents but the report is not expected for at least a year. The main criticisms no longer apply to the newer companies which have deliberately built-in safeguards to retain policyholder confidence.

There was a time when some advertisements were clearly misleading to the uninitiated but it is fair to say that by and large the greyer areas of the property bond world have been opened up to scrutiny. The danger is that existing legislation could conceivably allow a ruthless operator to enter the business. But for the most part property bonds hold no terrors for the investor. The question of whether unit trusts offer a greater chance of capital appreciation is a matter of conjecture, but it is as well to remember that the most sensible attitude is to view property bonds as a supplementary investment service rather than an alternative. In any event, there is no doubt which of the two is keeping the public's attention at the moment.

The fourth international conference on the peaceful uses of atomic energy opens in Geneva to-day. **David Fishlock**, Science Editor, discusses nuclear safety, a topic expected to arouse fierce debate

Safety hurdle for Britain's 'fast' reactor

ON THE EVE of the fourth United Nations "Atoms for Peace" conference in Geneva, which opens this morning, Britain unveiled her latest nuclear powerplant, in the shape of a 250-MW prototype now close to completion at Dounreay, Scotland. After an early hiccup in construction (adding a cool £7m.-£8m. to the bill) it now looks all set to raise its first power next year.

This is the reactor towards which the U.K. Atomic Energy Authority has directed its efforts for the past two decades. Electricity costing little more than half that from present-day nuclear stations is confidently forecast for the first generation of fast breeder reactors—and more generations will surely follow. Moreover, says Mr. Dick Moore, the UKAEA's member for reactor development, a strategic plan has been thrashed out, leading to an option to start building the first commercial version, of 1,300 MW, in 1974.

Vital

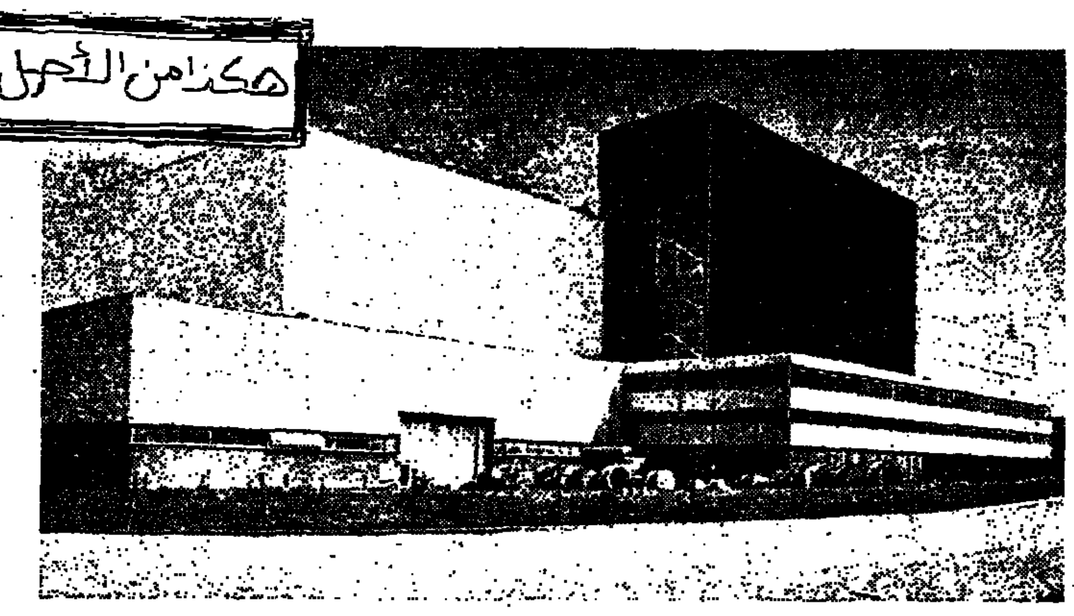
What has not been thrashed out—and what could delay the start—is where the first station should be. The point is vital, for unless a site can be approved close to big population centres, as the advanced gas-cooled reactors being built now at Hartlepool and Heysham, the Central Electricity Generating Board simply will not want the reactor.

With a capital cost estimated one-third greater than fossil-fuel power stations, the fast reactor is already too heavily handicapped to overcome the penalty of remote sites, such as were chosen for the first-generation magnox stations. The extra cost of transmission and roads would add several million pounds to the price of the station.

Safety is the real reason why nuclear power is more expensive to install than fossil power. This surcharge is reflected throughout the system—in costly containment, special control and instrumentation, the care needed to fabricate fuel, the higher standards of engineering throughout.

A nuclear fire is a far more serious matter than an ordinary one. "A single major accident incurring loss of life, involving any reactor anywhere in the world, would set nuclear power back very many years," Mr. E. C. Williams, newly-made responsible for the Government's Inspectorate of Nuclear Installations, told the industry recently.

Mr. E. C. Williams



The prototype fast reactor at Dounreay, Caithness.

We may accept that cars crush 20 people to death every day, said Mr. Williams, and were "extremely proud" that last year for the first time only a hundred men were killed in the mines. "But death or injury from nuclear causes is regarded throughout the world with genuine emotive repulsion, imposing a very severe constraint to what we in the nuclear industry can and cannot do."

The most crucial decision today is where to put the first fast reactor, a decision that is extremely critical for commercial exploitation of a system that so far has cost the taxpayer about £200m., and which carries with it most of Britain's hopes of ever exporting reactors.

The root cause of the problem is that Britain will be adopting a very different design of reactor from those now being built, and for which the same safety criteria do not apply. Britain originally chose the gas-cooled type of system because only one site could be found to satisfy U.S. criteria established in wartime for the water-cooled "piles" of the Manhattan project.

Fire risk

What is feared is nothing remotely so violent as an atomic explosion—to create a critical mass of explosive quickly enough to sustain an explosion takes immense effort. The danger is some accident—an air crash, earthquake or fire, for instance—that might split open the core and relase radioactivity.

Leaving aside the hazards of acts of God, let us consider a fire within the core. This could occur if the coolant supply failed abruptly. If this were to happen in a water-cooled reactor, and if simultaneously both the control and safety arrangements were to fail, the core might split asunder, releasing a cloud of radioactive gas. For that reason the Hanford piles were sited deep in the West of the U.S. on the Columbia River from which they drew cooling water, at a distance from population centres that was sufficient to give time to evacuate people in case of an accident.

In the water-cooled system, water not only cools but "moderates" the reaction. With the gas-cooled system the moderator—graphite—is built in and cannot disappear. For that reason the system is considered "inherently safe" (and part of the price lies in the bigger, more costly design).

All power reactors using gas or water as coolant rely on two forms of containment in the event of trouble outside or within. The first line of defence is the can in which its fuel is sheathed, in effect a miniature pressure vessel which retains the deadly fission products formed when uranium is split. The second is a big pressure vessel, of concrete or steel, which must keep in any leak if the first line of defence is breached.

With gas-cooled systems encased in concrete vessels, externally tensioned by hundreds of thousands of high-tensile steel cables, Britain has been able to claim with some justice that only natural disaster could ever release radioactivity. Cables can be replaced if they show sign of weakness through overstrain or atomic bombardment. To sustain that claim the Inspectorate of Nuclear Installations last year caused the CEGB the loss of several million pounds in modifying what it saw as a possible weakness in the containment of the Hartlepool AGR.

Attack

But those who adopted water-cooled reactors have chosen the more familiar chemical engineering practice of a steel pressure vessel, factory-fabricated instead of being built on site. With the rapid escalation in size of reactors since the mid-1960s, in the effort to offset, through economies of scale, the high premium required for safety, these vessels may be 10 inches thick, stretching forging capacity to its limits.

For two or three years the U.S. Atomic Energy Commission has been under increasingly severe attack from critics who argue that the combination of all-steel pressure vessel and a reactor not "inherently safe" is too great a risk. Suppose, they say, that a big steam bubble formed in the core of a water reactor, keeping the coolant from performing its job.

The water reactor designers believe they have already taken elaborate precautions for keeping fuel cool should the coolant fail. In the boiling water reactor (BWR), sprays above the core spring into action within 30 seconds of an accident. In the pressurised water reactor (PWR), water is injected from below the core, from gas-pressurised accumulators.

Nevertheless, the U.S. AEC finds itself in a dilemma, for it is well aware that much more research should be done, if not necessarily to improve safety, at least to assure that the designs *are* safe. No-one at present is building water reactors closer than about 20 miles from major population centres, compared with 2-3 miles for the AGRs at Hartlepool and Heysham. The present view of the Inspectorate of Nuclear Installations in Britain is that modifications to the PWR at least, to satisfy conditions for a site in Britain, would price the reactor right out of the market.

But much as the U.S. AEC would like to pursue safety on a much bigger scale, to satisfy itself that nothing can go awry with the 70-odd power reactors built or being built across the country, to ask for more funds now would inflame the critics further. That, in turn, would be bound to weaken its already shaky public credibility.

Where, then, does all this leave the fast reactor? Like the water reactor, the system developed at Dounreay is liquid-cooled, though the coolant in this case is a liquid metal. A deluge of molten sodium drenches the fuel, to extract the heat from a core hundreds of times more powerful than the present-day power reactors, with no moderator impeding the neutrons.

Questions

There was a time when the UKAEA believed the design for the first commercial fast reactor might have been started around 1970. Since then many searching questions have been asked about safety. Can the system, for instance, contain the explosive pressure pulses that will occur should some part of the core become critical—perhaps because the coolant boiled at one point?

No topic is likely to arouse fiercer debate in Geneva this week than reactor safety. No aspect of it will earn more attention than the fast reactor. For Britain the subject has special importance, for a lead in fast reactor design already sadly eroded could disappear altogether by the mid-1970s if the £200m. system fails to satisfy the world's most stringent criteria for reactor safety—those of Britain's Inspectorate of Nuclear Installations.

Labour News

No early end to Lucas stoppage

BY PETER CARTWRIGHT, MIDLANDS CORRESPONDENT

THE HOLIDAY pay strike by maintenance engineers at Lucas, now entering its third week, is not expected to end before mid-week. Lucas makes a wide range of equipment such as dynamos, starters, coils and lamps which are now largely out of stock in the motor industry.

Two British Leyland subsidiaries, Austin-Morris at Oxford and Rover at Solihull, are already having to build some models, like the Maxi and Marina, without windscreen wiper motors and other equipment. Problems for other manufacturers, who are having to reschedule assembly programmes to match shortages, are bound to intensify.

The impact on the other Austin-Morris plant at Birmingham, where Minis, 1100s, 1300s and 1800s are made, is being worsened by two disputes involving overtime bans in the shops making engines for Minis and 1300s. The company has warned that 2,000-3,000 workers could be laid off by the end of the week if the bans continue.

Hopes that the Lucas strike, which has shut nine Lucas factories and made 13,000 idle, would be settled were dashed on Friday when six hours of talks between four unions and the management ended in deadlock.

There is, however, a gleam of light in that the Amalgamated Union of Engineering Workers, which has all but about 30 of the membership, is willing to accept the improved offer management put forward.

The talks broke down because of the intransigence of the three other unions, the Sheet Metal Workers, Boilermakers and Woodworkers, who are demanding the bigger holiday entitlements of the more highly-skilled toolroom workers, who traditionally negotiate separately.

No problems

The demand is in respect of this year's holidays, for which management has offered a supplement that the engineers are willing to accept. The agreement covering holidays ended a week ago and no problems are anticipated about next year's holiday pay. Lucas has always paid ahead of national agreements and production workers will be getting average earnings for holidays in the future.

So far as the engineers are concerned, the dispute will be referred back to the national executive, which instructed local officials to seek the talks on Friday.

Normally, it meets on Tuesday and since most of the officials are at the TUC conference at Blackpool, there should be no great difficulty in dealing with the issue.

300 stay out

Three hundred workers voted at a week-end mass meeting to continue a strike in support of a pay claim at the M. and W. Grazebrook engineering factory in Dudley, Worcs. They will meet on Wednesday to consider whether to continue the strike, which began last Thursday.

Toolroom workers start one-day strikes to-day

BY PETER CARTWRIGHT, MIDLANDS CORRESPONDENT

COVENTRY, Sept. 5.

MORE THAN 7,000 Coventry toolroom workers and others of comparable skills, backed by a fighting fund of £7,000 that is growing by more than £2,500 a week, to-day entered the first of a series of one-day-a-week strikes. The strikes are designed to get back the rate-fixing toolroom agreement which employers have scrapped.

To-day's strike is expected to involve more than 100 companies' skilled workers and will add a further disruptive element to the overtime ban and non-co-operation tactics that have been in operation for nearly three months.

The Amalgamated Union of Engineering Workers, signatory to the war-time pact that fixed toolroom rates by reference to the piece-work average for skilled workers, in order to prevent skilled men deserting to better-paid assembly lines, regards it as valuable to both sides by removing many areas of conflict, particularly on pay.

Lay-offs threat

It is at the moment totally opposed to part bargaining, which the employers want in place of the "irrelevant and inflationary" agreement.

Employers have warned that the non-co-operation and the overtime ban are having such an economic effect that wider-spread lay-offs may be inevitable.

Two British Leyland car plants in the city are currently losing production through pay disputes aggravated by toolroom action.

Triumph has failed to meet planned output in any week this year and is having to postpone indefinitely the launch of its new Dolomite saloon. Jaguar Cars is laying off 2,000 to-day and to-morrow.

If the effects of the one-day strikes result in further lay-offs, the fighting fund may be brought into use. As this is supported by contributions of 50p a head a week, a long and industrially debilitating fight seems unavoidable.

CLEANERS GIVE BLUNT WARNING

STOKE, Sept. 5.

Twenty-four women cleaners at a factory and offices in North Staffordshire have threatened to strike. Their employers, County Cleaning Services, plan to reduce their hours from 40 to 27 a week, but the cleaners claim that this would cut their earnings by £3 a week, and that they were not consulted.

Other labour news, page 4

U.S. remains unready to give ground after Paris meeting

BY ADRIAN DICKS

PARIS, Sept. 5.

A WEEK of further consultations between European countries aimed at finding a common response to the Nixon monetary package opens with no sign that the United States is any readier to give ground on the main points at issue.

Mr. Paul Volcker, Under Secretary of the U.S. Treasury, said after the Group of Ten deputies' meeting on Saturday here, that he felt there was a better understanding by other countries of U.S. concern with the deterioration of its current payments account. The important process of "getting the facts understood" was going on, even if it could not be instantaneous, he said.

First look

He confirmed the Administration's wish to "put everything on the table" when he added that fair trading policies, defence problems and the disproportionate burden on the U.S. payments balance "are an inherent part of the problem and therefore an inherent part of the solution."

But nothing Mr. Volcker or anyone else has had to say here in the past few days suggests that either the Americans or their principal partners will be ready to begin bargaining on new parities between currencies at the Ministerial level session of the Group of Ten in London on September 15 and 16.

Some sources close to the meeting suggested that the Ministers might be able to take a first look at the question either at that meeting or when they gather in Washington on September 25 and 26 on the eve of the IMF conference.

Mr. Volcker refused all comment on suggested revaluation figures for other currencies which have emerged from various international organisations in recent days. But he said that he was quite "gratified by the fact that exchange markets have been able to open in an orderly fashion and that business is being transacted."

The Italian Government, whose compromise plan of last week failed to attract French support during the Group of Ten deputies' meeting, will take the initiative again in trying to bring Bonn and Paris together in talks due to take place here to-morrow between Sig. Ferrari-Aggradi, Italian Treasury Minister, and M. Giscard d'Estaing, French Finance Minister.

On the face of it, the Italian plan offers France the most attractive solution put forward yet. According to accounts of it, which became available here this week-end, it would involve multiple changes of currency parities against gold in order to maintain an "average price" of the metal.

Full details of the proposal are not yet clear. But it appears that some currencies would be revalued against gold while others (for example, the French franc and the lira as well as the dollar) would be devalued.

Whether France will be swayed this time by its partners' eagerness to find a Community solution, will depend on whether this formula has the effect of raising French export prices in third markets, and thus endangering the French Government's objective of export-led growth.

A further sign of France's concern with its international competitivity came from an initiative by M. Giscard d'Estaing over the week-end, when he was reported to have suggested to employers a system of "contractual price policy," similar to the contractual wages policy which he has been studying for several weeks.

A full explanation of the French position will be given to the Chancellor of the Exchequer, Mr. Anthony Barber, when he arrives here for a day of talks with M. Giscard d'Estaing on Tuesday. He will also doubtless learn from the French Government of its satisfaction with the general working of the two-tier exchange market so far—much as the West Germans did in last week's meeting of "experts" here.

For the time being, however, the British Government is likely to try to stay on the sidelines of the Common Market's monetary debate. As for the Americans, Mr. Volcker acknowledged on Saturday that "any solution will necessarily have to be a multilateral solution, but how any particular groupings of countries come to agreement among themselves is up to them, not us."

Developing process

Reuter reports from Rome:—The West-German Finance Minister, Prof. Schiller, who is having talks with Italian Ministers, said: "In the last few weeks there has been an intense exchange of ideas with Paris, but I cannot give a simple reply about our positions being nearer. It would be better to say that there has been a better reciprocal understanding of each other's position."

Prof. Schiller that said he was not ruling out the possibility of an agreement on September 13, when Common Market Ministers meet again, but did not want public opinion to be filled with hope only to be disappointed later. He said that both he and Italian Premier Sig. Colombe, saw the meeting as only a stage in a developing process.

Nixon's dividends policy

BY JUREK MARTIN

NEW YORK, Sept. 5.

IT NOW seems increasingly clear, to Wall Street's considerable relief, that the Nixon Administration has decided to eschew any form of restraints on corporate profits for the duration of the freeze, contenting itself instead with exhortations to American corporations not to increase the dividends they pay out to their shareholders.

This suspicion, which had been evident on Wall Street last week, has been confirmed by a number of government actions over the holiday week-end. Late on Friday, an unnamed but highly placed spokesman for the White House said the President himself believed that any levy on excess profits was "counter-productive" and "a poor form of taxation."

Then, on Saturday, the Cost of Living Council ordered six companies who have increased their dividend payments in the three weeks since the President's imposition of the freeze to appear in Washington on Tuesday to explain their actions. Dr. Paul McCracken, acting chairman of the council, said that it "takes a dim view of any change in dividend rates that would be inconsistent with the President's programme."

Also over the weekend it was announced that Mr. Stans, Secretary of Commerce, had sent telegrams to the chief executive officers of the 1,250 largest American companies asking that they do not increase their dividend payments for the duration of the first stage of Mr. Nixon's new economic policy.

These actions should effectively dissipate the uncertainty that originally prevailed, both on Wall Street and elsewhere, over the applicability of the freeze to dividend payments. In his August 15 address, Mr. Nixon did quite definitely say that dividends, along with wages and prices, were being frozen, but since then not a word on the subject of dividends has seeped out of the White House or any of the government departments responsible in any way for administering the freeze.

As far as the boardrooms of American and Wall Street are concerned, a freeze on dividends is very much the lesser of two evils compared with a tax on excess profits. This is doubly so in the business conditions of this year, in which there has been precious little evidence that American corporations were either ready or willing to go on a dividend spree.

Too fresh

The reasons are obvious; although corporate profits have been better this year than in the recession-ridden years of 1969 and 1970, the memory of the recession is simply too fresh to encourage corporate treasurers to pass on the benefits of the improvement to shareholders; rather the general policy has been to conserve and renew depleted cash balances.

Relatively few important companies have put up their dividends this year as a result. Ford, buoyed by a great year for car sales, did increase its pay-out earlier this summer and there had been widespread speculation that General Motors would take similar action shortly; but such examples have been few and far between.

Certainly, no major firm has run head to head with the Administration in its dividend policy in the last three weeks (though there was the suspicion that Gulf and Western, the well-known conglomerate, was contemplating such a clash). None of the six companies who have been asked to turn up in Washington on Tuesday to explain their actions is especially well known nationally. Only one is listed in the top 1,000 companies ranked by sales in Fortune magazine.

The guideline that is now in force on dividends is really quite simple; corporations are requested (not, it might be noted, required) that dividend payments be held at a rate not exceeding the effective rate declared in the most recent dividend prior to August 15. Even this simple guideline does require some clarifications, some of which may be provided in the exchanges between the Cost of Living Council and the six companies this week.

These areas include dividend increases declared during the freeze but not payable until it is over or those declared before the freeze but not payable until it had started.

'Malta still chained to Britain'

BY OUR OWN CORRESPONDENT

MALTA, Sept. 5

MALTA'S defence and financial accords with Britain chain the island to Britain as though she were still a colony. And in severing this anchorage Malta will assume a rightful place with friendly nations in the Mediterranean.

This was the central message of the appeal of Mr. Dom Mintoff, the Maltese Premier, to the nation which in two days celebrates two historic sieges—that by the Turks in 1556 and World War II.

Mr. Mintoff's speech was something of a disappointment. Many believed that he would announce a start to formal talks with Britain on a new defence and finance agreement. Last Friday he sent to London a note replying to a message saying that Britain and its NATO Allies were not prepared to improve their basic offer of £8.5m. a year in cash and economic aid.

Mr. Mintoff, in his address, which was published in a special edition of the Government Gazette, said the Maltese recall three outstanding events in their history. The brightest, he said, was the present awakening to the right for independence.

"For the first time in their lives, our people are saying to the outsider: 'My country is my own and I shall use it as I think fit for the benefit of my children.'" Mr. Mintoff's address points out.

COMPANY NEWS + COMMENT

Kulim expects to reach £1.1m.

PRESENT indication is that gross profit of the Kulim Group for the current year should be in the region of £1.1m., state the directors in their interim report.

For the first six months ended June 30, 1971, the gross profit (after depreciation, etc.) is reported at £482,622, compared with £335,219 in the same 1970 period. Providing for tax of £116,000 (£8,478)—after proportion of allowances and losses brought forward—the net profit is £366,622 against £326,741.

For the full year 1970 the gross profit was £856,739 and the net figure £838,001.

At the time of the rights issue last month the directors reiterated their earlier forecast that 1971 gross profits should show an improvement over 1970; and they felt it should be possible to maintain the dividend at 21 per cent. or consider a "moderate increase."

The directors intend to pay an interim dividend in December next.

They report that the greater part of the estimated production for 1971 has been sold at prices which should ensure average prices, for the main categories of production, in excess of those obtained for the 1970 output. The profit forecast is made on the basis of those average prices and the substantial increase in the production of palm oil and kernels during 1971.

● comment

The growing importance of palm oil at Kulim seems to be having a good impact on profits, but the sizeable jump in the tax charge—from virtually nil in July/December, 1970, to 24 per cent. so far this year—means that the impact on earnings, in theory, could be negligible. Perhaps this is why there is no dividend pointer at this stage, which is something the shares at 23½p must have been waiting for. But shareholders could console themselves with the thought that the tax situation may have been responsible for last year's dividend cover of 1.7 times; and that, this year, that degree of cover might not be so important.

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Long term confidence at Eva

ALTHOUGH recent Government policies have in some degree inhibited the planned growth of Eva Industries, in the short term the Board looks beyond this temporary phase with "great confidence," states chairman Mr. T. R. Astley.

This group has always been able, to a significant extent, "to swim against the tide," the chairman continues, and this, in the first quarter of 1971-72, it continued to do.

Nevertheless, the level of activity in engineering generally gives grounds for concern and it is too close to the mini Budget to have made a fully detailed assessment of its probable consequences for the group.

In the longer term, the group is now in a position of "considerable strength" to take the greatest possible advantage of more favourable trading conditions.

As reported on July 30, pre-tax profit for the year to March 31, 1971, was £757,000 (£689,000) with a dividend of 30 per cent. (equivalent 28 per cent.)—and a first interim dividend of 10 per cent. has been declared in respect of 1971-72. A one-for-one scrip is also proposed as reported on August 13.

Analysis of sales and profits shows that Forgings and Foundry contributed £2.116m. (£1.721m.) and £219,000 (£174,000); Agricultural Tools £1.970m. (£1.706m) and £305,000 (£280,000); General Engineering, etc., £2.454m. (£2,001m.) and £206,000 (£173,000). Investment income was £27,000 (£62,000). Geographically trading operations were split as to Overseas 43.3 per cent. (43.7 per cent.) and Home 56.7 per cent. (56.3 per cent.).

The chairman explains that although profits from Thailand and East Africa showed an "acceptable progression," the prime reason for the overall profit rise was the organic growth of almost all the U.K. companies.

Meeting, Stockport, September 29, at 3.30 p.m.

N. Brown aim well over £¼m.

PRESENT indications are that the current year for N. Brown Investments will be one of "considerable progress" and, given a successful autumn/winter season, the chairman, Mr. D. Alliance, is confident the results, both in terms of turnover and profit, will "substantially exceed" original estimates for the year to February 27, 1971.

As reported on August 24, for the year 1970-71 profit was £124,547 plus an exceptional credit of £49,706 for previous years (previous 17 months' total loss £201,659) and the dividend is 10 per cent. (nil).

The forecast was for £250,000 and Mr. Alliance says this would have been comfortably achieved had it not been for the postal strike. The forecast was made at the date of the acquisiton of J. D. Williams and Co. and Oxendale and Co.

The results achieved in the opening months of the present year have been satisfactory, and sales lost during the postal strike have largely been made up during April and May.

The increase in operating efficiency already achieved through rationalisation is continuing and the added benefits arising from this should be felt in terms of profit during the current year.

In the longer term, the chairman is confident the group's kind of mail order business is capable of considerable development, by greater penetration of the existing market and by further extension into households in the middle income groups.

Meeting, Manchester, September 27 at 12.30 p.m.

Chairman's Statement Page 10

Norwest Holst to improve

ALTHOUGH reluctant to make a firm forecast for any single year in the civil engineering and building industry, chairman of Norwest Holst, Mr. D. B. LeMare, feels confident that results for 1971/72 "should show an improvement compared with the past two years."

In general the workload for the current year is adequate, and recent Government measures to stimulate the economy should, in due course, be beneficial to the construction industry as a whole.

As reported on August 19, group profit, before tax, for the year ended March 31, 1971, was £926,000 (£1,012,000), the dividend is held at 25 per cent., and a one-for-one scrip is proposed.

During 1970/71 turnover increased to over £35m. and it is disappointing, the chairman says, that profit is not appreciably greater. In the main this has been caused by a limited number of schemes incurring substantial losses.

Demand for private housing was buoyant and as forecast a more satisfactory return was earned on capital employed. The immediate future for private housing, which represents approximately 12 per cent. of group activity, is encouraging, and the group continues to maintain adequate stocks of first class land.

The chairman stresses that apart from its effect on profits, cost inflation experienced necessitates an increasing amount of finance to maintain even the same volume of turnover in physical terms. With this in mind the Board has made a number of decisions which will have the effect of improving the liquid position without recourse to a fund raising operation.

Over £5m. group resources are absorbed in housing, industrial, commercial and overseas developments. These investments which in aggregate have a value well in excess of this figure are an assurance of profits for future years and for the most part are readily realisable, he points out.

An executive share incentive scheme is proposed. Meeting, Liverpool, September 29, noon.

No British Mohair interim

REPORTING another difficult year in 1971, as predicted, the directors of British Mohair Spinners have deferred a dividend until results for the full year are known.

They feel confident it will be possible to pay a dividend at the end of this year and that measures now taken should enable the group to show increased profits during 1972.

In 1970, the total dividend was an equivalent 15½ per cent.—an interim of 7 per cent., followed by a one-for-six scrip and a final of 9½ per cent.

For the six months ended June 30, 1971, group profit, before tax, is shown to be down from £157,200 to £136,800. For the full previous year, the figure was £430,500.

Tax takes £64,100 (£69,400) leaving a net profit of £72,700 compared with £87,800.

Directors state that non-recurring expenses relating to rationalisation of production amounting to some £19,000 have been deducted in arriving at the group net profit for the half-year.

Group profit for the corresponding half is the result of British Mohair only (formerly Jeremiah Ambler Group) while profit for the year 1970 includes Robert Clough (Keighley) Holdings for 14 months and C. F. Taylor and Co. for 12 months.

Trade in mohair yarns for men's light-weight suitings has continued to be depressed due to the economic climate in the U.S. and there is "little indication" of an early improvement. This factor especially has adversely affected group profits to date, the directors explain.

The sale of yarns in European export markets is buoyant and rationalisation within the group is continuing.

However, it seems unlikely that profits for the second half will show any substantial improvement on those now reported, members are told.

● comment

At a 1971 low of 32½p against a peak of 45p the market had been taking a gloomy view of British Mohair's short-term prospects where much depends on a revival of importation of lightweight mohair cloths by the U.S. This trade has continued to be depressed, and BM is half-way through 1971 with profits down 13 per cent. pre-tax. What is more the current half does not look at all encouraging with projected profits for 1971 less than a third of the 1969 total for the three companies combined. Thus a prospective p/e of around the 20 mark leans heavily in the short term on an end-1970 net worth of 47.6p, plus the promise of a recovery during 1972.

Statement Page 6

Howard Tenens potential

The investment policy currently being adopted by Howard Tenens Services will, if utilised to its full, make a considerable contribution to profits in 1972-73, Mr. E. C. Morris, chairman of the Wiltshire-based motor spares warehousemen and distributors, tells shareholders.

Subject to the motor industry's continued success in export markets and in reducing labour problems and stoppages, "we should achieve another satisfactory year in 1971-72," he says.

Mr. Morris points out that, while the group remains dependent on the motor industry, (its major customer) it is the present intention to bring about some reduction in this dependence "as and when suitable opportunities arise."

Future indications in the export packing side are "most encouraging," production at the Timber Pallets (Manufacturing) subsidiary at Boston has again risen, while the three transport subsidiaries achieved considerable volume and profitability in the movement of components to and from the Continent, in particular France.

The group must become substantially involved in the Common Market, Mr. Morris tells holders. It has already progressed considerably in the European transportation field and talks are taking place with an Italian associate of Fiat of Turin to participate in a joint company responsible for volume movements to and from Yugoslavia in Western and Eastern Europe.

As reported on August 12, pre-tax profits for the year ending March 31, 1971, totalled £762,000 (£653,000) and the dividend is 27½ per cent. (equivalent 20.83 per cent). Directors have already forecast combined pre-tax profits for the current year in the order of £1m.

Meeting, Winchester House, E.C., September 30 at 11.30 a.m.

● comment

Howard Tenens' report underlines the forecast made at the time of the Willenhall merger in May that 1971-72 combined pre-tax profits should be in the order of £1m. Indeed, given an estimated annualised contribution of about £¼m. from the new acquisition the original group is only going for roughly maintained profits. This projection seems likely to be on the conservative side as the group's main customer, the motor industry, is on the upturn at present. In any event the market have been taking a bullish view with a 78 per cent. increase in the share price from the year's low already. On projected earnings of about 14p a prospective p/e of 11½ is not giving much credit to the steady profits record or the apparent growth potential in Europe and following the recent investment programme.

Chairman's Statement Page 35

Good start by Assam Frontier

The current season for The Assam Frontier Tea Company has got off to a good start, chairman Mr. H. K. Stringfellow tells members, and the crop at the end of July was 600,000 kilos ahead of last year.

"Given reasonable weather conditions, we should have no difficulty in harvesting another record crop," he says.

It is too early to make a forecast of probable results for 1971. Prices realised to date in India are ahead but the weight of tea sold so far is relatively small. Forward sales have been made in London against samples at satisfactory prices, but the bulk of U.K. teas will not start coming up for sale in the London auctions until October.

Efforts are being continued to keep expenditure down, but there is a limit to what can be done in cost cutting and "in the long term we must look to increasing output as the only effective means of keeping our unit costs down," the chairman stresses.

As reported on August 7, group profit, before tax, for 1970 was £239,985, compared with £255,578, and the dividend is held at 8 per cent.

Meeting, 19, Leadenhall Street, E.C., September 29, noon.

Chairman's Statement Page 31

Progress for Robt. Douglas

WITH SO much uncertaintly as to rising costs the chairman of Robert M. Douglas (Contractors), Mr. R. M. Douglas, feels it would be imprudent to make any definite results forecast for the current year. However, he has every confidence in the group's ability to ensure a steady rate of progress.

The volume of general construction work in hand is lower than at the corresponding period last year, the chairman continues, but the supply and specialist units have a greater volume of work in hand and have made a satisfactory start.

Recent indications of the expansion of the motorway and other construction programmes plus the anticipated improvement in the economic climate should assist in the creation of more normal conditions, particularly if the Government succeeds in its efforts to contain inflation, he adds.

Mr. Douglas stresses that the group is in a relatively strong position to take full advantage of any improvement in trading conditions.

The policy of wide diversification of interests has he adds contributed in no small measure to stability and progress and has proved to be a useful safeguard against difficulties arising in any particular sphere. As reported on August 21, pre-tax profit for the year ended March 31, 1971 was 1,042,529 (989,481) with a dividend of 20 per cent. (same).

Analysis shows civil engineering and building construction contributed £394,438 to profits; sale and hire of plant and equipment £554,538; production and sale of sand, gravel and ready-mixed concrete £63,809; sundry income was £29,744.

Plant and equipment sale and hire was broken up as to Australia and New Zealand £157,546, Republic of Ireland £25,447 and the U.K. £371,545.

At March 31, Mr. J. R. T. Douglas was beneficially interested in 784,582 shares and 1,183,998 as a trustee.

Other substantial holdings were—Mrs. J. E. Lees with 717,484 beneficial and 93,019 as trustee and the Prudential Assurance Company with 328,080 beneficial.

Meeting Birmingham, September 28, noon.

Chairman's Statement Page 35

At least £114,000 for Wingard

At the recent annual meeting of Wingard, the safety belts and motor accessories group, chairman Mr. J. S. McKerchar, told members that all actions taken were bearing fruit, and he saw no reason why the second half of 1971 should not produce a profit at least as much as the £57,000 shown for the first six months.

He announced that following (at his invitation) a "penetrating" investigation of group affairs by the National Westminster Bank's factoring company—Credit Factoring, the group's bankers had agreed to "increase substantially the support we have enjoyed from them in the past."

Furthermore, Credit Factoring would also provide financial facilities which would more than replace existing invoice discounting arrangements, he said.

Facilities now at Wingard's disposal would not only enable it to correct the situation referred to in the annual report but should also provide the means to expand its trading on profitable lines at a time when "I believe the motor trade can look forward confidently towards improved returns."

Industrial Contract

MR. E. R. WILSON, chairman of Industrial Contract Cleaners expresses confidence in his annual report that the efforts of the past three years to develop the company will enable it to show its true potential in the growing field of service industries over the next few years.

For the year ended January 3, 1971, group external sales amounted to a record £2,570,806 (£1,843,383 for the previous 70 weeks, but profit, before tax, fell to £44,168 (£201,459). As reported July 17 the dividend was 6 per cent. (13 per cent. for the period).

The chairman explains that profit was eroded due to: (1) group structure being established for a turnover greater than that achieved: (2) margins during the the latter half being adversely affected by depressed economic conditions; (3) a loss-making contract at Sheffield—now ceased; (4) exceptional national insurance contributions for previous years.

However he reports that action has been taken to reduce the group structure and overheads; margins are being very carefully examined and controlled.

An analysis of turnover and trading profit—£89,756—shows respectively: general cleaning 88 per cent. and £77,113; waste removal 12 per cent. and £12,643.

In their report the auditors state that the value of goodwill of £53,132 shown in the accounts, the value of the interest in group companies of £1,134,800 and the related item "Goodwill" of £420,804 shown in the consolidated balance-sheet are not, in their opinion, justified at January 3, 1971, "as the subsidiaries did not yield a sufficient return on capital employed for the year ended on that date."

The directors' report states that the value of investments in subsidiaries and of goodwill is largely dependent on future profitability. It is not intended to revalue investments to reflect short-term changes in profitability as, in their opinion, the long-term value of the company's interest in its subsidiaries and the businesses it has acquired is not less than the amount at which they appear in the accounts.

Referring to Excolene Chemical, the directors say that the moneys advanced on loan to that company —£118,703—for product development while ICC was a shareholder, are to be repaid over the period ending December 31, 1975. The directors feel that the repayment terms will be met.

It is proposed to introduce a share incentive scheme for employees. Meeting, Liverpool, September 24 at 3 p.m.

In the control room on the Amoco-Gas Council's Leman field production platform, equipment supplied by Honeywell and designed and put together by Texas Eastern Engineering can control a flow of gas which may be at a rate of up to 350m. cubic feet a day. It can also be used as a "slave station," controlled by the master station at Amoco's shore terminal at Bacton, Norfolk.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
	%		%	%	%
A. G. Barr	(c)7½	—	5	—	20
Brasway	14	—	13	24	22
British Mohair ......int.	nil	—	*6	—	*15½
Rowland Gaunt	9	—	8	12	12

* Equivalent after allowing for scrip issue. † Amount per share.
(a) Tax free. (b) On capital increased by rights and/or acquisition issues. (c) Not necessarily indicative of a higher total.

ISSUE NEWS AND COMMENT

Slater Walker dual package

Application lists open next Thursday for an offer for subscription by Slater Walker of Ordinary shares and loan stock in Slater Walker Investment Trust. The issued capital will consist of 12.5m. Ordinary 50p shares to be issued at £1 each and £10m. 8½ per cent. Partly Convertible Unsecured Loan Stock, 1981, to be issued at par.

Slater Walker, its associates and SWIT's directors will be making firm application for 3.125m. shares and £3.225m. loan stock, and other leading institutions will be making firm applications for 5m. shares and £3.275m. loan stock. These applications will be allotted in full and the balance of 4.375m. shares and £3.5m. loan stock will be offered to the public for subscription.

Slater Walker Investments has been appointed as investment managers to SWIT. The Board intends to invest principally in companies whose underlying asset values are in excess of their quoted market price and medium and long term app[reciation] can be foreseen as a [result] of takeovers, mergers or in reorganisations. Not more [than] 15 per cent. of the com[pany's] portfolio can be investe[d in] securities of any one compa[ny]; it is not proposed to invest [more] than 10 per cent. of the com[pany's] funds in unquoted securiti[es].

The estimated revenue [in the] first accounting period to th[e end] of September 1972 should [enable] the directors to recommen[d divi]dends totalling 4 per cent., [giv]ing a 2 per cent. yield at th[e issue] price.

One-half of the stock m[ay be] converted into Ordinary between 1974 and 1981 at th[e rate] of one share for every £1 of [stock].

Brokers are Joseph Seba[g and] Co. and dealings are expec[ted to] start on Wednesday September 15.

Prospectus Pages 34 an[d ...]

See Lex

Farmers' debenture stock at 9%

Lists open on Thursday September 9 for the issue by The Agricultural Mortgage Corporation of £10m. 9 per cent. Debenture stock 1979-82 at par.

The stock is payable as to £10 per cent. on application with calls of £25 per cent. on November 29, 1971, and £65 per cent. on January 20, 1972. Interest is payable half-yearly with a first payment of £2.03 per cent. due on March 16, 1972.

Proceeds of the issue will be used for making loans or for re-placing or repaying other moneys which have been used for such purposes. Brokers to the iss[ue are] Mullens and Co.

● comment

Both the last two Agric[ultural] Mortgage issues have bee[n ...] but the terms of this one [...] that it at last has a winne[r. The] stock is not only yielding [more] than £1 over Treasury 8½ p[er cent.] 1980-82 but even has somet[hing in] hand over the NatWest [... per] cent. Unsecured Loan stock at 102½ is yielding 8.7 per [cent. A] useful premium, therefore [is] on the cards.

Prospectus Page 3[...]

Pending dividends timetable

For the convenience of readers, the dates when some of the more important company dividend statements may be expected in the next few weeks are given in the following table. The dates shown are those of last year's announcements, except where the forthcoming Board meetings (indicated thus*) have been officially published. It should be emphasised that the dividends to be declared will not necessarily be at the amounts or rates per cent. shown in the column headed "Announcement last year." Preliminary profit figures usually accompany final dividend announcements.

	Date	Announcement last year
APV Hldgs.	Sept. 16	Int. 6%
Assoc. Cement	Sept. 23	Int. 2½%
Assoc. Dairies	Sept. 8	Final 6%§
Assoc. Fisheries	Sept. 18	Int. 6%
BTR Leyland	Sept. 10	Int. 7½%
Bank of Scotland	Sept. 21	Int. 9%
Bestobell	Sept. 15	Int. 12½%
Booker McConnell	Oct. 2	Int. 3%
Bovis	Sept. 23	Int. 8% forecast
Bristol St. Group	Sept. 8	Int. 10%
BICC	Sept. 11	Int. 4½%
Brit. Land	Sept. 11	Final 6% indicated
Brit. Petroleum	Sept. 9	Int. 5.67%
Brit. Rollmkrs.	Aug. 30	Int. 4½%
Brit. Ropes	Sept. 23	Int. 6%
Bunzl Pulp and Paper	Oct. 1	Int. 8½%
Burmah Oil	Oct. 7	Int. 6½%
Cadbury Schweppes	Sept. 23	Int. 4½%
Carpets Intl.	Sept. 22	Int. 6%
Clarke Chapman	Sept. 3	Int. 6%
Cons. Gold Flds.	Oct. 7	Final 17½%
Costain (R.)	Sept. 22	Int. 9% †
Courage	Oct. 7	Int. 5%
Dalgety	Sept. 18	Final 8%
De Beers Cons.	Sept. 8	Int. 100%
Delta Metal	Sept. 30	Int. 7%
Dickinson Robinson Gp.	Sept. 30	Int. 10%
[illegible] & Co.	Sept. 23	Int. 4%
Dunlop	Oct. 28	Int. 6½%
EMI	Oct. 9	Final due
First Nat. Fin.	Sept. 25	Int. 15% §
Fisons	Sept. 27	Int. due
Gen. Mining	Oct. 5	Int. 40cts.
Grattan Whses.	Oct. 7	Int. 10%
Guardian Royal Exch.	Sept. 24	Int. 14%
Harris and Sheldon	Sept. 22	Int. 4%
Homfray	Sept. 24	Final 13½%
Inchcape	Sept. 16	Final 3%
Intl. Distillers	Sept. 26	Final 8%
Kier (J. L.)	Sept. 17	Final 17½%
Lamson Inds.	Sept. 29	Int. 5%
Lead Industs.	Sept. 21	Int. 3½%
Legal & Gen.	Oct. 8	Int. 58½%
Lex Service	Sept. 5	Int. 6%
Marks & Spncr.	Oct. 6	Int. 13½% §
*Miles Druce	Sept. 15	Int. 10%
*Minster Assets	Sept. 9	Int. due
Morgan Crucible	Oct. 2	Int. 6%
Pataling Rbr.	Sept. 22	Int. 12%
*Pearson Longman	Sept. 9	Int. 7½%
P. & O. Steam.	Sept. 10	Int. 4½%
Phoenix Assce.	Oct. 1	Int. 15%
*Plessey	Sept. 15	Final 6%
Portals	Sept. 15	Int. 6%
*Provident Clothing	Sept. 7	Int. 3½%
*Prudntl. Assce.	Sept. 28	Int. 25% ‡
Ralli Intl.	Sept. 9	Int. 25%
Ready Mixed Concrete	Sept. 8	Int. 9½%
Reckitt and Colman	Sept. 17	Int. 6%
Reyrolle Parsons	Sept. 25	Int. 6%
*Rio Tinto-Zinc	Sept. 15	Int. 8%
Rowntree Mackintosh	Sept. 30	Int. 7½%
*Royal Dutch	Sept. 16	Int. 17½%
Schroders	Aug. 20	Int. 3%
*Scot. and Unvsl. Invs.	Sept. 6	Final 12% indicated
*Shell Transpt.	Sept. 16	Int. 24%
Simon Engng.	Sept. 29	Int. 12½%
Stapleg'n Ins.	Sept. 16	Final 38%
*Star (GB)	Sept. 17	Final due §
*Steetley	Sept. 8	Int. 8%
Tarmac	Oct. 1	Int. 6½%
Tate and Lyle	Sept. 19	2nd Int. 3%
Tilling (Thos.)	Oct. 8	Int. 8%
*Transport Devel.	Sept. 7	Int. 4½% §
Trust Houses Forte	Sept. 26	Int. due
*Tube Invs.	Sept. 8	Int. 9%
Utd. Drapery Stores	Oct. 7	Int. 9½% indicated
Utd. Biscuits	Sept. 17	Int. 5½%
Utd. Nwspprs.	Sept. 23	Int. 17½%
*Vickers	Sept. 16	Int. due
Wadkin	Sept. 18	Int. 4½%
Ward (T. W.)	Oct. 5	Final 10%
Wilkinson Sword	Sept. 18	Int. 5%

* Board meetings intimated. † Rights issue since made. ‡ Tax free. § Scrip issue since made from reserves.

Start soon on Glasgow dock redevelopment

BY OUR OWN CORRESPONDENT

GLASGOW, September 5.

Though the number of new jobs likely to be created will be small, an early start is to be made on a £2.5m. scheme to rehabilitate the disused Queen's Dock and adjoining industrial land at Point House Road in the Anderston redevelopment area. The Government is meeting 85 per cent. of the cost, of which £1.5m. will be absorbed in filling in the old dock over the next 18 months.

A high-amenity industrial estate is envisaged as part of the redevelopment, while sports enthusiasts are hoping that part of the dock will be retained as a marina.

Local Authority Investments

Local authority loan rates were [...]t appreciably last week, with [th]e reduction in Bank Rate from [...]er cent. to 5 per cent., its lowest [lev]el since November, 1964.

Reductions ranged from 1/16 per [cen]t. or so for money at two-days' [no]tice to about ⅜ per cent. for [...]-year mortgages. The rates, [ho]wever, particularly in the mort[ga]ge field, remained unsettled.

Loans at seven-days' notice, for [ins]tance, were at 6¼-6⅜ per cent. [on] Tuesday, against 6-6⅛ per cent. [bef]ore the Bank Holiday week-[end], and by Wednesday evening [had] settled back to the latter [ran]ge. On Thursday afternoon, [ho]wever, after the Bank Rate [mo]ve, 5-5½ per cent. was quoted, [an]d business on Friday was re[por]ted at 5¼-5⅜ per cent.

[O]ne-year mortgages were re[duc]ed ⅜ per cent. on the week to [abo]ut 6¼-6⅜ per cent.

[T]he Financial Times Govern[men]t Securities Index rose 0.50 point on the week to 76.38, helped by the Bank Rate cut, and with the terms announced on Friday for a new long tap issue well received.

One-year local authority bonds were taken up on Wednesday on the same terms as the previous week's batch—6¼ per cent. at 99½ per cent. Two-year 7 per cent. bonds and three-year 7¼ per cent., at par in both cases, were also issued on the same terms as a week earlier. But the return on 18-month bonds was increased slightly—6 9/16 per cent. bonds for this period being placed at 99 15/16 per cent., whereas the previous week the terms had been 6½ per cent. at par.

A discount of 4 15/16 per cent. on three-month local authority bills was reported to have been agreed on Friday, a rate pitched at the same level as commonly bid by Discount houses for three-month bank-accepted commercial bills or three-month Treasury bills.

	*Rate (%) September 3, 1971
[...]days' notice (deposit receipt)	5 —5¼
[...]days' notice (deposit receipt)	5¼ —5½
[...]days' notice after one month (deposit receipt)	5¼ —5½
[...]days' notice after three months (deposit receipt)	5½ —5¾
[...]days' notice after six months (deposit receipt)	5¾ —6
[Mor]tgage at one month's mutual notice after 11 months	6¼ —6½
[Mor]tgage at one month's lender's notice after 11 months (nominal term 2-5 years)	6 —6¼
[...]years' mortgage	6¾ —6⅞
[...]years' mortgage	7 —7¼
[...]years' mortgage	7¼ —7½
[...]years' mortgage	7½ —7¾
[...]0 years' mortgage	7¾ —8†
[...]0 years' mortgage	7¾ —8†

* Rates are for sums not less than £20,000 and are subject to [...] variations and fluctuations. † Nominal. ‡ The shorter nominal [peri]od may carry a higher rate than the longer.

RECENT ISSUES

EQUITIES

Issue Price	Amount Paid Up	Latest Renunc. Date	1971 High	1971 Low	Stock	Closing Price	+ or −	Div. Amount	Times Covered	Gross Yield	P/E Ratio
[illegible]											

FIXED INTEREST STOCKS

Issue Price	Amount Paid Up	Latest Renunc. Date	1971 High	1971 Low	Stock	Closing Price	+ or −
[illegible]							

"RIGHTS" OFFERS

Issue Price	Amount Paid Up	Latest Renunc. Date	1971 High	1971 Low	Stock	Closing Price	+ or −
[illegible]					Lon. & Assoc. [illegible]		
[illegible]					London & Lennox 'B'		

Renunciation date usually last day for dealing free of stamp duty. [illegible]

COMPANY NEWS

Stock Conversion aiming for £2¼m. this year

THE DIRECTORS of Stock Conversion and Investment Trust forecast that group pre-tax revenue, after minorities, in the current year will be in the region of £2¼m., of which about £1m. should represent dealing profits.

They report that substantial dealing profits have already been realised in 1971-72, and proceeds of sale, together with the repayment by Euston Centre Properties of £4½m. of interest-free loans, have enabled repayment of a number of short borrowings on which relatively high interest rates were being paid.

As a result, not only is the group in a "satisfactory liquid position," but its interest charges have been "considerably reduced."

As regards the future the directors feel it should be recognised that dealing profits, in view of their fluctuating nature, may not be maintained each year at the anticipated figure for the current year.

In the immediate future, also, pending further lettings of vacant shop and showroom space and having regard to interest now payable on the recent debenture, ECP may make a slightly reduced contribution to group revenue.

Nevertheless they expect a satisfactory upward trend in earnings as a result of the many developments now in hand or projected.

Attributable revenue, before tax, in the year ended March 31, 1971, including the group's share of associates' revenue, was £1,108,173, an increase of £197,673 over 1969-70, and in line with the interim forecast. As reported August 24 the dividend is raised 5 per cent. to 20 per cent.

At the time of the £15m. debenture in May, ECP revalued the completed parts of the development at Euston Centre at £45.73m. The values of this and developed properties of the other associates are reflected in the group's interest in associates and are not part of the group's developed properties.

In the directors' opinion market value of the group's developed properties other than trading estates is about £8.5m. (Stock Conversion's proportion £7.7m.), higher than the book figure.

As the trading estates at Cricklewood and Coventry were fully let on March 31, 1971, the directors of those companies have estimated the market value of the properties at about £1.4m. (SC's proportion £900,000) higher than book cost.

Once again no part of those increased values refers to any property not fully let at March 31, 1971, the directors point out.

Meeting, Cafe Royal, W, September 27 at noon.

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interims or finals and the sub-division shown below is based mainly on last year's time-table:—

TO-DAY

Interims: T. F. and J. H. Braime, Crosfields and Calthrop, General Electrical and Mechanical Systems, Lancashire Carpets, Leeds Assets, William Whittingham.

Finals—Aerialite, Consolidated Salak Rubber Estates, Johnsons-HPL, Myson Group, Scottish and Universal Investments.

FUTURE DATES

Interims—	
A.P.V. Holdings	Sept. 16
Burmah Oil	Oct. 7
Cuthbert (R. and G.)	Sept. 9
Danish Bacon	Sept. 7
Hope (Thos.) and Sankey Hudson	Sept. 7
Lead Industries	Sept. 21
Pearson Longman	Sept. 9
Pennine Motor Group	*Sept. 9
Rio Tinto-Zinc	Sept. 15
Finals—	
Fox's Biscuits	Sept. 8
Free State Geduld	Sept. 13
Joograis	Sept. 9
Minster Assets	Sept. 9
President Brand	Sept. 13
President Steyn	Sept. 13
Trans Australia Investment Trust	Sept. 10
Welkom Gold Mining	Sept. 13
Western Holdings	Sept. 13
Wood Bastow	Sept. 13

* Amended.

Jermyn turns in £200

Following the warning in January that profits of Jermyn Investment Company would show a "substantial shortfall" on the forecast of £8,150, a figure of £200 is reported for the year ended November 15, 1970. This compares with £10,264 in 1968-69.

An unchanged dividend total of 10 per cent. has already been declared.

Chairman Mr. G. M. Newton explains that the fall in profits is due to a "serious" shortfall in the dividend forecast of Sassoon Property Developments, in which Jermyn has a £250,000 investment, and it has now been informed there will be no further dividend paid for up to three years.

The chairman reminds holders that this investment was only made following a personal visit to Nassau, the taking of professional advice and receipt of a letter from the Bank of Nassau (a member of the Sassoon Group) stating that the estimated minimum dividend due to Jermyn would be not less than (Bahamian dollars) 169,000. This was then equivalent to £69,000—only £10,000 has been paid by SPD in respect of that year.

With a view to protecting holders' interests, the chairman discussed the situation with the Sassoon Group (which owns 38.8 per cent. of Jermyn) and as a result its entitlement to the second interim of 6 per cent. for 1969-70 was waived. The new forecasts prepared by the Sassoon Group "are not without hope in the long term."

Meeting, 6-11, Agar Street, W.C., October 5 at noon.

Downturn at A. G. Barr

A fall in group profit, before tax, from £216,000 to £183,500 is reported by soft drink manufacturers A. G. Barr and Co. for the six months ended May 1, 1971. For all the previous year profit was £609,946.

The directors consider the results reflect the warnings about cost inflation in the chairman's statement on last year's accounts.

Subsequent to May 1 it has been found possible to increase certain prices and it is hoped that this will alleviate the position during the remainder of the current year.

As forecast in March, the interim dividend is raised from 5 per cent. to 7½ per cent. for the year to October 31, 1971. As stated, this is to reduce the disparity with the final and is not to be taken as an indication of a higher total than last year's 20 per cent.

	Half year 1970-71 £	1969-70 £
Trading profit	149,500	173,500
Invest. income	34,000	42,500
Profit	183,500	216,000
Tax	74,000	86,500
Net profit	109,500	129,500

Statement Page 6

Brasway pays extra 2%

Pre-tax profit of Brasway increased from £135,002 to £142,794 in the year ended April 30, 1971 which, says the Board, produced the most difficult trading conditions yet experienced by the group

The dividend is stepped up two per cent. to 24 per cent. with a final of 14 per cent.

All divisions have, and are, continuing to trade successfully and the directors are confident of substantial increases in profits when conditions improve. To this end they are investing in new machinery at Wednesbury, Telford and in the stock-holding division at Pensnett, Staffordshire.

Mr. R. A. Swaby, chairman, is again waiving his dividend rights on all his shares.

	1970/71 £	1969/70 £
Turnover	3,360,501	2,677,475
Profit	142,794	135,002
Tax	57,650	63,000
Available	85,144	72,002
Dividends after waiver	19,902	15,039
Retained	65,242	53,963

The group trades as iron and steel, scrap processors and steel stockholders.

Kursaal sees recovery

Mr. C. Stein, chairman of the Kursaal Company which owns the Sheraton-Malta Hotel and Casino, tells shareholders that profits in the current year should be "in excess" of those for 1970-1971.

Referring to the difficulties confronting the tourist industry in Malta which increased during the year and particularly in the last five months, Mr. Stein reports that the Sheraton-Malta hotel made profits only slightly below the record profits of the previous year.

In the current year business has improved in both the casino and the hotel, he adds.

As reported on August 24, pre-tax profit for the year to May 31, 1971, was £200,007 (£290,697) with a dividend of 25 per cent. (equivalent 15 per cent.).

Casino and ancillary activities contributed £657,867 (£831,785) of turnover and £66,853 (£148,378) to profit and the hotel £637,744 (£683,288) and £133,154 (£142,319).

Meeting, Malta, September 27.

Gresham Investment growth

THE JOINT chairmen of Gresham Investment Trust Mr. P. G. Wreford and Mr. M. B. Baring see no reason why the steady increase of profit and dividend achieved in each of the last 11 years should not continue.

It is the present intention to maintain for the current year the 7 per cent. dividend on capital to be increased by the proposed one-for-eight scrip issue.

Barring a financial crisis or unforeseen circumstances the chairmen feel that group prospects in the medium term look bright.

For the year ended March 31, 1971, group profit, before tax, went ahead from £452,471 to £525,398.

The directors do not feel that the Institute of Chartered Accountants' recommendations on Associates results apply to the groups' substantial minority interests as they are held for investment only, rather than from trading venture angle. Inclusion of such profits would have increased the pre tax figure by over 50 per cent.

Investment in unquoted companies by Wren Trust has again proved to be "extremely profitable" both for the companies and also for Wren.

On March 31, 1971, the number of its investments had increased to 46 (32) companies the total cost to £1,767,166 (£1,422,186) excluding bank finance from Gresham Trust and the value to £3,033,261 (£2,540,876). Capital profits before tax credited to capital revenue had risen to £2,239,250 (£2,023,086).

Meeting, Barrington House, Gresham Street, E.C., September 28 at noon.

Chairman's Statement Page 30

J. Jarvis turnover increases

Turnover of J. Jarvis and Sons, in the first four months of the current year is up, and chairman Mr. D. B. Jarvis looks forward to another successful year.

Certain fixed price contracts tendered for in 1969 have suffered from excessive cost increases, but, nevertheless, works in progress remain satisfactory, he reports.

Group profit, before tax, in the year ended March 31, 1971, increased from £169,092 to £224,822, on a turnover of £9,592,465 (£8,327,278). As reported July 31, the dividend is stepped up by 7½ per cent. to 30 per cent.

At the recently formed Jarvis Geochemical, plant has been purchased and it is expected to start operations shortly.

Meeting, 239, Vauxhall Bridge Road, S.W., September 28, at 11 a.m.

FT Share Information Service

The following securities have been added to the Share Information Service appearing in the Financial Times.

British and Canadian Investment (Section: Industrials (Misc.)). **Collier (S.)** (Section: Drapery and Stores). **Matthews Wrightson Holdings** (Section: Insurances). **Sangamo Weston** (Section: Electrical and Radio). **Secmin** (*Section: Mines—Australian*).

ANNUAL STATEMENTS

ASSAM FRONTIER TEA CO.

The 83rd Annual General Meeting of The Assam Frontier Tea Company Limited will be held on September 29 in London. The following is an extract from the circulated review of the chairman, Mr. H. K. Stringfellow:

The operations for the year resulted in a profit of £259,152 as against last year's figure of £308,355. Your Directors recommend a maintained dividend of 8% on the Ordinary Stock.

We started off at the beginning of the year with serious hail damage on several of our estates and output suffered a serious setback. However, by the end of the season the deficit was more than made good and we finished with a record crop of 8.36 million kilos. Had it not been for the hail damage the outturn would have been significantly higher. Even so the crop was up for the third successive year and this is ample justification of the policy of replanting old tea areas and planting out new extensions which we have been pursuing in recent years.

The current season has got off to a good start and the crop at the end of July was 600,000 kilos ahead of last year. Given reasonable weather conditions we should have no difficulty in harvesting another record crop. Prices realised to date in India are ahead of 1970 but the weight of tea sold so far is relatively small. We have made some forward sales in London against samples at satisfactory prices.

MINING NOTEBOOK

Some battlegrounds for bulls and bears

BY LODESTAR

AS SO often these days there was plenty of gossip on the Australian front over the week-end. Much of it centred on Poseidon although the renewed uprush of talk about the long-awaited major financial deal for the Windarra nickel project had no effect on the completely disillusioned market in the shares. The price remained at a dispirited 950p.

Nobody really believed that an official statement might be imminent. Wolf has been called too often. Anyway, for those who are still interested in this glamour stock of yore the favourite in Kalgoorlie for the Windarra stakes is still the American consortium, Union Oil, Homestake Mining and Hanna Mining.

The reasoning is simple enough. It is thought that they may be in a position to offer a better deal than, say, Anglo American Corporation because of their own nickel discovery to the south-west of Windarra. By marrying the two finds, which are only some eight miles apart and occur in the same magnetic anomaly, there could be important savings in capital costs notably on the provision of township, water and power facilities in this remote region.

Such a move could also tie in with the eager interest that another major U.S. concern, American Metal Climax, is showing in a possible smelter venture in the area.

Mallina's drill

Meanwhile, the progress is being eagerly watched of the drill hole being put down by the Australian exploration duo, Mallina Mining and Kinetic Mining, in the ground bordering on the Union Oil and Poseidon claims. It is being sunk to a minimum depth of 3,000 feet. As indicated in our Mining News column on Friday, expenditure on this hole has probably been encouraged by Union Oil with which company there *has* been a "helpful exchange of limited technical information."

Mallina's consulting geologists, Watts, Griffis and McOuat, recommended siting the drill in a zone where the rock structure appears to be parallel to, and on the down-dip side of, the Union Oil nickel sulphide strikes. Mallina were 27p when it was foreshadowed here on July 26 that deep drilling was contemplated. In the poor general market conditions subsequently they have drifted back to 22p.

At Windarra itself my man on the spot reports that all appears to be going well with actual development of the orebody now getting under way via the decline tunnel in which it is claimed that progress recently has been at a record rate. There are a number of really experienced miners on the site and a quiet confidence that the property will be brought to production on schedule in the latter half of next year.

De Beers' hopes

So far the bears have certainly won the battle of Poseidon. In London there is another mining share market struggle in full spate. It is that between the bulls and bears of De Beers. Stockbrokers are joining in with varying wordy advice to their clients. Significantly, there seems to be sufficient buying power at under 200p to lift the shares up each time they dip below this level.

Friday's close was 213p, an improvement that was in line with the recovery movement in South African gold shares in which the group has a substantial stake. The testing time, however, will come on Wednesday when De Beers' half-year results are due.

Then it will be seen how the group is taking the strain of carrying large stocks of diamonds and to what extent this is preventing profits from reflecting the 8 per cent. improvement in world sales of "roughs" in the first half of 1971. In my own view it is going to be surprising if earnings are not modestly better. Maintenance of the interim dividend can, of course, be taken for granted.

Timing & RTZ

In July Mr. Harry Oppenheimer described the diamond market as stable and said that confidence was fully restored. There seems no reason to think that he has subsequently had to have any second thoughts about this more optimistic view.

Less cheerful as a market factor are likely to be the Rio Tinto-Zinc Corporation half-year results due around mid-month. Here there is a certain amount of writing already on the wall. In 1970 by far the two biggest profit earners were copper and iron ore. The latter is still doing all right, of course, although some question marks have been thrown over it by the recent changes in the yen and dollar relationship. But this will only affect the second-half situation.

Last year the copper price averaged £587 a ton. In 1971 it has been down below £420 and even now is only around £450. Palabora's profits have thus been hit. The RTZ group's Canadian arm, Rio Algom, has also reported lower first-half earnings. Only the Australian segment in the shape of Conzinc Riotinto has done better, thanks to iron ore.

RTZ shares are 220p, little above their 1971 low of 210p. Another shadow of uncertainty over them, which should also be cleared very shortly, are the details of the big reorganisation, announced early in July, of the group's lead-zinc operations whereby they will become completely integrated. The really great question mark that hangs over RTZ shares in the current year—and in essence it is a happy one—is when they will be right to buy for the growth that lies ahead. At the moment it looks as though the verdict could be, not yet.

Sel. Trust & Tara

One of last week's ironies in the mining share market—they pitch up quite ofen in this section—was the respective movements in Selection Trust and Tara Exploration. They both stood at 700p when I was discussing them last Tuesday. Since then, as foreshadowed here, the former has issued further favourable information about its Agnew nickel prospect in Australia. Colleague Kenneth Marston interpreted this news on Saturday.

On Friday, however, Selection Trust had fallen to 685p. Tara, on the other hand, had risen to 760p. Does this mean that zinc now has more speculative glamour than nickel?

INSURANCE

Consequential fire loss

BY OUR INSURANCE CORRESPONDENT

IN THE LAST few years the British Insurance Association, the Fire Protection Association and the Central Fire Liaison Panel have concentrated their propaganda guns on the prevention of fire. But direct material damage is only part of the fire loss bill; the consequential losses are usually as large, if not larger. So some at least of the gunsights have now been realigned, and management in industry and commerce is now being encouraged to plan for the aftermath of fire.

Damage control

On this theme I have just received from the Central Fire Liaison Panel a special report on planning for damage control after fire, comprising five papers read to conferences in London and Glasgow, including two case studies. The first, by Mr. Roger Plumbly, of Tate and Lyle, describes how his company recovered from a £1m. fire in July, 1968, which put the company's cube sugar making plant out of action. The second by Mr. Alexander Stone, of the British Bank of Commerce, deals with a fire that occurred in Glasgow last February, forced the immediate dispersal of the bank's staff and work for three months and caused longer term disruption.

These two men and their companies were, and are, engaged in enterprises of a very different nature. The one, in a food manufacturing process, had to re-order production in available premises, procure replacement equipment, obtain supplies temporarily from a manufacturer to satisfy home demand and arrange for the disposal of a mass of partially burnt sugar. Nevertheless within three months it was possible once again to meet sales commitments.

Anticipation

The other, concerned in a service industry, was fortunate in having the vast majority of papers and records saved, whereby to continue in business. But a staff of 80 had to be rehoused at once and this proved possible only by splitting up into six divisions for three months. Subsequently alternative premises were found, only half the size of those formerly occupied, where all work can be concentrated until reconstruction is complete.

These case studies provide fine illustrations of the kind of problems to be met, and overcome, after fire; but they also show that with considerable energy and hard-headed planning, the consequences can be minimised. How much can be done in anticipation is a matter for each individual firm. And there are practical limitations; for example a manufacturer cannot have replacement machinery lined up just in case, but he can find out whether it will be available if needed and how long the waiting period will be before delivery and installation, assuming by then he has somewhere to house it.

Prior to this fire Mr. Stone's bank had consequential loss cover although it had been considered expensive. Afterwards, Mr. Stone declares it to be essential for every type of business, and that failure to buy it can result in complete ruin, even when the firm has full material damage insurance: furthermore in these inflationary times, a regular annual review of sums insured is vital.

Stock replacement

A third paper by Mr. A. T. Ridley, a member of the Chartered Institute of Loss Adjusters entitled "Financial Rehabilitation" describes how the adjuster's task is to give advice and service both to the insurer who instructs him and to the consequential loss policyholder who is claiming. Some of Mr. Ridley's comments will come as a surprise to those who regard insurers as being intent only in minimising claims costs by all possible means.

For example, on the replacement of stocks, the adjuster "will often advise the purchasing manager, using common sense, to go ahead and order blind" and "will sometimes authorise purchase of products from suppliers who provide the goods quickly at higher prices." Moreover, "the post-fire situation is not the time for the careful appraisal of capital expenditure that is normally possible and right." All of which is clearly sound advice provided the insurance cover against increased cost of working is adequate to meet the ultimate bill.

Sharp fall in one-voyage tanker charter rates

FINANCIAL TIMES REPORTER

SINGLE voyage charter rates for tankers from the Gulf to the U.K. or Continent dropped sharply last week, with relet tonnage provided by major oil companies contributing to the decline. From the Gulf to the U.K. or Continent, rates closed last week at about Worldscale 35—a drop of about 20 points over the week.

In most areas, according to Lambert Brothers' weekly report, rates have declined. From Nigeria to the U.K. or Continent they fell over the wek by about 17½ points to Worldscale 65 and from the Caribbean to U.K. or Continent by 15 points also to Worldscale 65. In the Caribbeans to USAC trade the rate declined by about 5 points to Worldscale 70.

Lambert Brothers says that the effect of the currency crisis is still being felt and may be holding up period chartering.

John I. Jacobs and Co., in its weekly report, says that the level of inquiry for tonnage in the Gulf has been insufficient to maintain rates at the previous week's values. "This is, without doubt an unhealthy situation, not only for owners with tonnage on the open market, but also in all probability for the oil companies concerned, since some of the vessels which they are forced to relet must be on charter at rates considerably in excess of to-day's depressed levels."

According to John I. Jacobs there has been an increase in tanker tonnage engaged in the grain trade. At August 31 there were 26 tankers of 742,854 deadweight tons carrying grain or fixed ahead, compared with 23 tankers of 643,508 tons in mid-August. Of the end-August total, 15 ships of 512,521 tons were under the U.S. flag.

NEW PLANT FOR STEEL TUBES

A new £400,000 plant has been installed by the Chesterfield Tube Company at its Derby Road works to meet increasing demands for large-diameter steel tubes. Most of the new plant's production will go to the paper making and textile industries.

Concorde sales drive opens in S. America

By Ray Dafter

THE FRENCH-built Concorde and sales teams from British Aircraft Corporation and Aerospatiale are due to arrive in Rio de Janeiro to-day on an intensive South American sales mission.

The 18,000-mile round trip is evidence of the growing sales drive being mounted by the Anglo-French partners.

Over the week-end it was confirmed that representatives of the two airframe manufacturers would be visiting Peking at the invitation of the Chinese Government in about three weeks time to discuss the possibility of selling Concorde there.

Big orders from light plane show

AIRCRAFT orders worth more than £2m. and orders for a large amount of ancillary equipment were placed during the five days of the Business and Light Aviation Show at Cranfield Aerodrome, Beds, which closed yesterday.

The show—the world's biggest general aviation show outside the United States and the second to be held in Britain—also brought firm inquiries for many more aircraft, ranging from one-seaters to executive jets capable of carrying 10 or more passengers.

Nearly 4,000 potential customers visited the show, which was not open to the general public. The organisers, the magazine Flight International, said the number of visitors was well up on the total at the original show in 1969.

Duke predicts rigid laws on pollution

PRINCE PHILIP yesterday forecast the introduction of strict anti-pollution laws which will "tie everybody's hands" — Government, industry and the conservationists.

In the long run, he said, the environment was "the only, the vital, moral problem of to-day."

In an interview in the journal Industrial Management, Prince Philip said: "I foresee the time when there will have to be a code of practice accepted by everybody.

"It will have to be backed by legislation and given some sort of sanction because everybody's hands need to be tied, not just industry's."

The people concerned with the economic development of the country were basically the Government and if their hands were not tied as well they could still make it possible for an industry to carry out undesirable development.

Prince Philip mentioned the "sheer pressure of population" and the "vast increase in the exploitation of the surface of the world." Something had got to give, he said.

INTERNATIONAL COMPANY NEWS + OVERSEAS MARKETS

EUROBONDS

Cloud over the market as uncertainty remains

BY WILLIAM LOW

CONTINUING currency uncertainties have cast a cloud over the Eurobond market. The dollar bond sector, in particular, is suffering, with prices of straight debt issues retreating ever nearer their low points for the year. The sharp rise in short term Eurodollar interest rates has forced many professional operators to liquidate part of their holdings since the cost of financing a "book" has become too expensive.

A new dollar offering, either straight or convertible, has yet to emerge. If the market grapevine is to be believed, this week should see the announcement of at least one loan, probably a convertible. Among names of prospective borrowers are those of Cummins and Texaco.

Notwithstanding the current difficult monetary situation, it is rather surprising that borrowers have held off. There is little doubt that an equity-linked issue from a sound corporate name would attract a strong response.

As regards fixed interest bonds, there is a large volume of Eurodollars seeking a home and many investors would be happy to put their money into a name like General Motors or Esso. The so-far unanswered question is what coupon would have to be attached to a 15-year issue by a first-class borrower? Opinions among bankers vary widely, reflecting the difficulty of predicting with any degree of accuracy what state the market will be in a few days from now. Some operators consider that any such offering would have to bear an interest rate of 9 per cent., while others feel that 8½ per cent. would suffice.

Non-dollar denominated bonds continue to come to the market. The West German authorities have allowed two DM100m. issues by non-German borrowers this month. ICI and Firestone plan to raise DM100m. each on an expected coupon of 8 per cent.

One interesting point about the forthcoming ICI issue is that it is being managed by an all-German banking consortium, led by the Dresdner Bank. To those with suspicious minds, this set up suggests a form of peace offering to those German banks which were reportedly upset by the recent highly successful ICI sterling/D-mark issue which was managed by S. G. Warburg, Deutsche Bank, and J. Henry Schroder Wagg. Against this, it must be pointed out that ICI has stated that no one bank will have a monopoly of the company's international fund raising operations.

It can be said with a strong degree of confidence that September 30 will be a very quiet day in the secondary market for Eurodollar bonds. For that is the day on which the International Bond Dealers' Golf Society holds it autoumn meeting. Details can be obtained from Bryan May, of Greenshields Inc.

IN BRIEF

● UNIVAC DIVISION OF SPERRY RAND CORPORATION received $3.4m. order for Univac 1106 computer system from Deutsche Beamtenversicherung a Weisbaden, a West German insurance company.

● INTERNATIONAL CHEMICAL AND NUCLEAR CORPORATION announced a final agreement to acquire two related Brazilian pharmaceutical companies, Usafarma and Inquibras. Acquisition involved issuance of Common shares with a value in excess of $6m.

● CADILLAC DIVISION OF GENERAL MOTORS CORPORATION (GM) said it expects to sell more than 255,000 cars in calendar 1971, up from a strike-depressed 154,961 cars in 1970. Cadillac's estimated 1971 sales total of 255,000 units would surpass Cadillac's previous record unit sales of 252,524 set in 1969.

● STANDARD OIL CO. OF OHIO plans to close its lubricating oil compounding and blending plant in Cleveland, Ohio, by the middle of next year when consolidation of its lubricating activities is completed at its refineries at Lima, Ohio, and Marcus Hook, Pennsylvania.

● KENTING, Calgary, Alberta, reports net income for the six month ended June 30 of $553,000 ($1.19 per share) compared to restated loss of $301,000 (95c per share) for the same period in 1970. Profit before extraordinary items was $366,000 (73c per share) as compared to re-stated loss of $336,000 ($1.04 per share) in 1970.

● INDUSTRIAS TEXTILES DE GUADALHORCE (ITG), the Spanish textile manufacturing company—owned and operated by the Spanish State-controlled INI industrial holding organisation—reports sales of Ptas.946m. in addition to the Ptas.155m. accumulated loss of the preceding years. The INI has been criticised for continuing with this loss-making operation and is reportedly willing to sell out its control of ITG.

● SCHWEIZERISCHE KREDITANSTALT said its SwFr.80m. 5¾ per cent. 15-year loan priced at 99 per cent. closed oversubscribed.

The company paid a total dividend of B.Frs.310 for the 15-month period ended September 30, 1970, on net profit of B.Frs.651m., following the merger of Metallurgie Hoboken and Cie de Metaux d'Overpelt Lommerl et de Corphalie.

The second half of the year is usually busier than the first for the company. Sales are bound to be higher. Whether profits will continue to rise at the same rate is not yet certain.

● SANKYO SEIKI said it would give a one-for-10 free-scrip stock issue to shareholders as of the end of September. As a result, Sankyo's capital will increase to Yen 1,587.2m. from the present Yen 1,452m.

Others

● LOMBARD AUSTRALIA has called an extra-ordinary general meeting to consider a resolution that the capital of the company be increased to $A20m. by the creation of 10m. $A1 shares. The meeting is to be held on September 17.

MADRID STOCK EXCHANGE PRICES

Percentage of par value (Ptas.500)

Name of stock	Week's High	Week's Low	Close Sept. 3	Change on week	Div. %	Net yield %
Altos Hornos de Vizcaya	95	94	95	+2	5.00	5.26
Banco de Bilbao	876	870	872	+7	13.83	1.58
Banco Central	960	957	960	+5	11.97	1.24
Banco de Santander	835	826	833	+12	10.78	1.29
Banco de Vizcaya	810	805	805	+4	14.22	1.76
Banco Esp. de Credito*	746	740	743	+10	11.33	1.52
Banco Exterior de Esp.	385	380	382	+2	9.95	2.60
Banco Hisp. Americano	746	740	743	+11	12.01	1.61
Cia Auxiliar Ferrocarriles	120.5	120	120.5	+0.5	7.00	5.70
Cia Industrias Agricolas	286	281	281	−7	8.50	3.02
Cia Esp. Petroleos	380	379	380	+1.5	10.20	2.68
Cia Ins. de Nitrogeno†	127	124	127	+3	6.80	5.35
Cia Sev. de Electricidad	228.5	226	227.5	+1	9.50	4.17
Cia Telefon Nl. de Esp.	299	296.75	296.75	−2	8.08	2.72
Dragados y Construcciones	570	566	566	+1	8.50	1.50
Ebro Azuc y Alcoholes	690	680	685	−10	13.60	1.98
Espanola del Zinc	120	120	120	−1	5.10	4.25
Fuerzas Elec. Cataluna†	232	229	232	+1	10.00	4.31
Galerias Preciados	315	315	315	—	11.47	3.64
Hidroelectrica Espanola	235	234.75	235	+0.25	10.00	4.25
Iberduero	285.5	282	285.5	+1.5	10.00	3.50
Union y el Fenix Esp.‡	700	686	694	+8	12.00	1.72
Min. Sid. de Ponferrada*	166	162	166	+6	10.00	6.02
S.A. Cros	190	187	188	−6	5.10	2.71
Fb. El Aguila de Cervezas†	295	294	295	−1	9.35	2.16
Esp. Auto de Turismo†	475	465	465	−15	1.00	3.22
Astilleros Espanoles	73	71	71.5	—	4.25	0.94
Sdad. Met. Duro Felguera	72.25	72	72.75	+1.25	5.00	6.92
Sniace	153	151.5	151.5	+0.5	8.00	5.28
Union Esp. de Explosivos	268	267	267	+1.00	10.20	3.82
Simago S.A.	—	—	300	—	—	—

Par values: Ptas.500 except * Ptas.250, † Ptas.1,000, ‡ Ptas.200.
Source: Banco Central Madrid.

AUSTRALIAN WEEKLY LIST

Australian $	Sept. 3	Aug. 27	Australian	Sept. 3	Aug 27
Advertiser Newsp'p'r	1.52-1.56	1.50-1.55	Kiwi Int.	1.65-1.70	1.57-1.62
Ansett Transport	0.66-0.67	0.65-0.68	Lend Lease	3.10-3.12	3.10-3.15
Assd. Securities	1.90-1.98	1.97-1.99	M.L.C.	5.80-5.84	5.80-6.00
Aust. Guarantee	1.84-1.85	1.83-1.85	Maurice Bros. &T.	1.19-1.22	1.16-1.20
Aust. & Kandos C'm't.	0.97-1.00	1.00-1.01	Mayne Nickless	1.50-1.55	1.48-1.50
Aust. Paper Mnfrs.	†1.68	1.68-1.70	Nylex Corpn.	—	†0.90
Boral	†1.63	1.52-1.53	Olympic Cons.	0.74-0.76	†0.72
Bramble Inds	1.95-1.96	1.93-1.95	Overseas Corp.	†1.65	1.70-1.71
Burns Philp	3.00-3.05	3.12-3.15	Petersville	0.19-0.20	0.19-0.20
Carlton United Brews	3.70-3.72	3.78-3.83	Queensland Cement	†4.40	4.35-4.40
Carpenter (W.R.)	2.00-2.05	2.00-2.02	Queensland Insnce	3.00-3.05	3.05-3.15
Castlemaine Perkins	7.90-7.95	7.80-7.90	Rocla Inds.	1.15-1.25	1.17-1.20
Coal & Allied	†1.15	1.19-1.26	Swan Brewery	2.14-2.15	2.15-2.20
Commercial Bank	2.18-2.22	2.04-2.10	Television	3.05-3.10	3.05-3.15
Commercial Union	1.75-1.80	1.75-1.80	Thiess	†3.05	2.85-2.90
Commonw'lth Mining	‡2.80	‡2.80	Thomas Nat. Trans.	1.65-1.67	1.65-1.66
Grace Bros	1.95-1.98	1.92-1.97	Tooheys	1.80-1.81	1.81-1.88
Hardie Asbestos	3.75-3.80	3.80-3.90	Travelodge	0.78-0.82	‡0.82
Herald & Weekly	3.70-3.75	3.78-3.80	Woodside	1.28-1.30	1.30-1.32
Humes	1.80-1.85	1.80-1.84			

† Buyer. ‡ Seller.

TEL AVIV STOCK EXCHANGE

Company	Unit	Prices Sept. 5 1971	Change on the week	Last Div. (Total) Cash	Last Div. (Total) Scrip Bonus	Yield per a'num	High (From Aug. 1970 to July 1971)	Low
		%	%	%	%	%		
Bank Leumi le-Israel "A"	IL 1	240.5	−0.8	15	25	6.2	279.5	216.5
Bank Leumi Investment	IL 1	168	−0.5	15	25	8.9	164.5	148
General Mortgage Bank Bearer	IL 15	144	−2.0	17	25	11.8	167.5	132
Union Bank	IL 1	118.5	−1.2	8	—	6.7	118	100
IDB Bankholding	IL 20	140	+1.4	7	—	5.0	123	102
Discount Bank Investment Bearer	IL 5	154	+2.6	12	—	7.7	161	118.4
Israel-British Bank Bearer	IL 10	130.5	−1.1	12	—	9.1	167	130
Bank Hapoalim Bearer	IL 1	188.5	−0.7	12	—	6.3	190	176
Wolfson-Clore	—	60	—	—	—	—	60.2	39
GUS Taasiot	IL 10	78.5	−1.8	7	—	8.9	83	60.5
Africa, Palestine Investm't	IL 10	143.5	+2.8	12	—	8.3	134	99
Delek The Israel Fuel Corp. Reg.	IL 10	108.5	—	12	—	11.0	116.5	96
Israel Land Development Bearer	IL 1	116	−2.5	9	—	7.7	99	65
Rasaco Rural and Suburban Settl. Co. 8pc. Pref. Ord.	IL 10	80	−0.9	—	—	—	45.5	33
"ATA" Textile "B"	IL 10	94	—	11	8	11.7	106.5	85.5
Dead Sea Works	IL 1	119.5	—	5.8	—	4.8	125.8	111.0
American Israel Paper Mill Israel Regd.	IL 1	187.5	+2.1	8.17	—	4.3	212	133
Anglo-Israel Investors	IL 1	99.5	−0.5	3	—	3.0	96	70.4
Israel Electric Corp. Israel Regd.	IL 1	51.5	−3.7	7.5	—	14.5	61.3	51.0
Mehadrin (Citrus Groves)	IL 1	142.5	+4.3	10	—	7.0	128.5	90

Source: Bank Leumi le-Israel, Tel Aviv.

Indices

NEW YORK

DOW JONES AVERAGES

Close	Home Bonds	Transport ‡	Indus. *	Util. Φ	Trading volume† 000's
Sep. 3	71.06	245.99	912.75	112.70	14,040
2	70.87	241.58	900.63	111.71	10,690
1	70.80	240.82	889.02	111.52	10,770
Aug. 31	70.73	239.51	898.07	111.68	10,430
30	70.74	240.22	901.43	112.28	11,140
27	70.85	241.82	908.15	113.05	12,490
26	70.67	241.66	906.10	112.89	13,990
25	70.61	242.32	908.37	113.50	18,280
24	70.52	241.18	904.13	113.53	18,700
1971 High	71.58 (5/4)	245.99 (3/9)	950.82 (28/4)	128.59 (19/1)	—
Low	68.52 (4/1)	169.70 (4/1)	830.57 (4/1)	111.52 (1/9)	—

* All-time high 995.15 (9/2/66)
‡ All-time high 279.88 (7/2/69)
Φ All-time high 163.32 (20/4/65)
† Excluding bonds

IND. DIVIDEND YIELD p.c.

Aug. 27	Aug. 20	Sept. 11 1970
3.51	3.62	4.22

N.Y. SE ALL COMMON INDEX

1971 High	1971 Low	Fri.	Thurs.	Wed.	Tues.	Mon.
57.76 (28/4)	49.73 (4/1)	55.66	54.90	54.76	54.74	55.01

RISES AND FALLS

Issues traded	Up	Down	Unchanged
1,707	1,106	328	273

1970/71	Fri.	Thurs.	Wed.	Tues.	Mon.
New Highs	78	59	28	25	55
Lows	15	18	16	32	18

AMERICAN SE ALL STOCKS AVERAGE

1971 High	1971 Low	Fri.	Thurs.	Wed.	Tues.	Mon.
26.69 (28/4)	22.72 (4/1)	25.51	25.50	25.21	25.16	25.19
Volume (000's)		4,270	5,340	3,050	2,490	2,490

STANDARD AND POORS U.S. STOCK INDICES

	*Industrials	†Composite
Sept. 3	111.27	100.69
2	109.69	99.29
1	109.46	99.07
Aug. 31	109.40	99.03
30	109.96	99.52
27	111.05	100.08
26	110.80	100.24
25	110.95	100.41
1971 High	115.84 (25/4)	104.77 (28/4)
1971 Low	99.73 (4/1)	91.15 (4/1)

* 425 Industrials. † 425 Industrials, 50 Utilities and 25 Rails. (1941=10.)

STOCK AND BOND YIELDS

	Sept. 1	Aug. 25	Sept. 2 1970
Industrial div. yield pc	2.88	2.85	3.69
Price-earning ratio	18.45	18.72	16.31
Long-term Govt. Bds. yields pc	5.88	6.00	6.87

MOST ACTIVE STOCKS

	Shares traded	Closing price	Change on day
First Charter	160,700	26	+⅛
University Comp.	150,800	28¾	+1
Borden	141,200	28	+⅜
Penn Central	138,100	7⅞	+⅛
Boise Cascade	126,500	28	+1
Mony. Mtg. Inv.	118,400	14	+⅝
Ford Motor	112,300	70¾	+1½
Fed. Nat. Mort.	110,300	73⅜	+2¼
Amer. Tel. and Tel.	96,200	43⅝	+⅜
GAF	92,500	20⅜	+⅜

TORONTO

INDUSTRIAL INDEX

Closed August 2

Sept. 3	Sept. 2	High 1971	Low 1971
178.61	177.88	188.74 (2/1)	172.20 (23/8)

MONTREAL

INDUSTRIAL INDEX

Sept. 3	Sept. 2	High 1971	Low 1971
186.43	185.78	188.89 (20/4)	176.50 (4/1)

COMBINED INDEX

Sept. 3	Sept. 2	High 1971	Low 1971
183.12	182.45	185.02 (28/4)	172.85 (22.2)

JOHANNESBURG

	Sept. 3	Sept. 2	High	Low
Industrials	186.1	185.6	212.4 (9/6)	165.8 (3/1)
Golds	74.3	72.4	89.3 (19/4)	70.2 (1/9)

(1958=100.) Source: Rand Daily Mail.

AUSTRALIA

MELBOURNE YIELD INDICES

Av'ge yield on 60 Leading Stocks	Sept. 2	Aug. 26	Aug. 19
On Dividends	5.76	5.68	5.77
On Earnings	9.71	9.64	9.77

SYDNEY ALL ORD. INDEX

Sept. 3	Sept. 2	High 1971	Low 1971
459.78	459.24	518.51 (4/1)	449.99 (25/8)

TOKYO

NEW SE INDEX

Base=100 January 4, 1968.

Sept. 3	+ or −	Div. %	Yield %
179.17	−0.55	11.90	3.38

1971 High 208.19 (13/8) Low 148.88 (5/1)

EUROPE

	Sept. 3	Previous	1971 High	1971 Low
Belg'm (m)	101.79	102.01	106.74 (30/7)	92.18 (5/1)
France (bb)	74.9	74.7	79.2 (23/7)	74.0 (30/6)
Germany*	101.45	101.74	112.71 (23/2)	94.96 (6/1)
Holland (o)	113.2	112.9	128.0 (2/4)	112.1 (1/9)
Italy†	46.73	46.77	60.09 (6/5)	46.73 (3/9)
Sweden (p)	260.82	260.95	282.71 (25/6)	245.71 (6/1)
Switz'rl'd**	403.3	402.2	412.9 (10/8)	353.5 (4/1)

* Herstatt Index. ‡ Base amended to January 2, 1962, from December, 1950. ** Swiss Bank Corporation Index base 100 December, 1968. (b) Basis 100 December 29, 1967. (c) Closed. (m) Base date amended from 1953 to 1963. (o) Adjusted now quoted on basis 1963=100 and no longer 1953=100. (p) Base date December 29, 1956. (bb) New index introduced by Paris Bourse Committee basis 1961=100.

CANADIAN WEEKLY LIST

[illegible]

SINGAPORE

[illegible]

HONG KONG

[illegible]

AUSTRALIA

[illegible]

JOHANNESBURG

[illegible]

OVERSEAS SHARE INFORMATION

Investment $ Premium 22% (21¾%)

NEW YORK

RAILROADS

[illegible]

INDUSTRIALS, ETC.

1971 High	1971 Low	Stock	Sept. 3
49¼	31¾	Crane	49¼
32½	22	Creole	23⅝
16¾	9½	Crowell Collier	10½
37½	29½	Crown Zellerbach	33⅝
51⅝	35⅝	Cummins Engine	51⅛
15¾	10⅛	Curtiss-Wright	11⅞
44¼	35½	Dart Industries	43¾
25⅝	9⅝	Ling-T'mco-Vght	13⅝
33⅛	20⅛	Litton Indus.	29⅝
14⅝	8½	Lockheed Aircr.	9¾
33⅜	25¼	Lone Star Cem.	27⅜
49⅛	32	Louisiana Land	45¼
108	72⅞	Lubrizol	105
47	33¼	Lucky Stores	39¼
49	39⅞	Sterling Drugs	47¾
70½	52	Studebaker	59⅞
40¾	34⅛	Crocker Nat. C.P.	34⅞
3.97	3.50	Dividend Shares	†3.75
77½	63⅞	1st Nat. Boston	65¾

[illegible]

PUBLIC UTILITIES

[illegible]

TRUSTS, BANKS & BONDS

[illegible]

TORONTO

[illegible]

MONTREAL

[illegible]

GERMANY

Sept. 3	Price Dm	+ or −	Div. %	Yld. %
[illegible]				

AMSTERDAM

[illegible]

OSLO

[illegible]

PARIS

[illegible]

BRUSSELS

[illegible]

SWITZERLAND

[illegible]

VIENNA

[illegible]

MILAN

[illegible]

TOKYO

[illegible]

STOCKHOLM

[illegible]

COPENHAGEN

[illegible]

UTHORISED UNIT TRUSTS (p***)

OFFSHORE AND OVERSEAS FUNDS (p***)

INSURANCE, PROPERTY, BONDS

Money & Exchanges

Rate 5% (Sept. 2, 1971)

…ount houses met with an … flow of credit last week, …ll as with a cut in Bank … on Thursday from 6 per … to 5 per cent. An unexpec… substantial shortage devel… when the market re-opened …esday, after the Bank holi… and the authorities on that … ive an amount of assistance …bed as "exceptionally large …" Month-end requirements …ed to have some effect on …arket, but the main cause of …hortage appeared to be a …p in the flow of funds … the system. Apart from … Treasury and local …ity bills on Tuesday, the …ities lent a very large sum … to Discount houses for …y at the then Bank Rate of …ent. Government disburse… outweighed revenue trans… the Exchequer on Wednes… …d Friday, but were in turn …ghed by the revenue on …day. A net Treasury bill … ran against the market's … while gilt-edged settle… and a rise in the note circu…lation were adverse on Friday. The authorities bought a fairly large amount of Treasury bills on Wednesday, and a large amount on Friday, but in between sold a very large amount, with the banks carrying an appreciable surplus over from Wednesday to the next day.

Following the cut in Bank Rate, the Discount market syndicate raised its agreed bid 22p to £98.77 (equivalent to a fall of about ⅞ per cent. to 4½ per cent. in the rate of discount) at Friday's Treasury bill tender, and with £228m. bills offered, and allotted, received a quota of 39 per cent.

A rate of 4⅝ per cent. was commonly quoted on Friday for the purchase of 3-month bank-accepted bills, and a similar rate was reported to have been quoted on for the taking-up of 3-month local authority bills. Rates in the various money markets were reduced after the Bank Rate cut, with the sharpest falls occurring at the short-end.

Sterling ranged between about $2.4510 and $2.4660 last week, before closing at $2.4595-2.4605, against $2.4695-$2.4710 previously. A fair business was done, with the feature of the week, a strong demand for Euro-dollars at first over the turn of the month and then on a day-to-day basis. A rate of 140 per cent. to 200 per cent. was reported to have been quoted for over-the-turn dollars on Tuesday, though there were not necessarily any dealings in the higher part of that range. By the end of the week, call dollars had eased back to 7¾-9 per cent., from 8½-9½ per cent. a week earlier, however, and the 3-month rate was 8⅞-9⅜ per cent., against 9-9½ per cent. Euro-sterling eased to 7½-8 per cent. for 3-months, from 8⅝-8⅞ per cent. a week earlier, with the cut in the U.K. Bank Rate apparently contributing, in spite of the measures announced at the end of the previous week to curb the attraction of U.K. domestic rates to international short-term capital. The 3-month pound strengthened on balance to 1.05 cents premium, from 0.45 the previous Friday and was at 1.15 on Thursday evening.

The U.S. dollar lost ground on the week against a number of major currencies, including the mark, Belgian francs, French financial franc, and Canadian dollar, but strengthened against the guilder, helped by the Dutch exchange control measures announced towards the end of the week. Swedish kronor also softened, while there was no net change in the Swiss franc, and little in the lira. Japanese yen were fairly steady during the week, ending at 336½ to the dollar. Gold fluctuated erratically, touching $40.50-40.70 an ounce in London on Monday, and ending at $41.65-41.85, against $41.20-41.50 a week earlier.

Portuguese escudo inter-bank dealings took place at rates well away from that quoted for the sale of escudos for approved commercial and other deals reported to be quoted by the Bank of Portugal, which on Thursday, for instance, was 68.42 to the pound, while London dealings again touched 60 on the selling side. The discrepancy appeared to result from uncertainty over the extent to which the Bank of Portugal was prepared to supply escudos. But Friday brought a substantial closing of the gap, with the London rate ending at 62.

EXCHANGE CROSS-RATES

CURRENCY INTEREST RATES

FOREIGN EXCHANGES

Sept. 3 1971	Bank Rate %	Day's Spread	Close
New York	5	2.45 47	2.45⅞-46⅛
Montreal	5¼	2.49-50	2.48¾-¾
Amst'dam	5½	8.44½ 49½	8.48½-.48½
Brussels	6	118.10-118.70	118.45-55
Copenh'gn	7½	18.00 08	18.02-.04
Frankfurt	5	8.31 .36	8.32¾-.33¾
Lisbon	Δ3¾	62 90-70.00	67 09-69.00
Madrid	††6	165 50-171 50	169 75-170.75
Milan	5	1,505 1,515	1,507-1,512
Oslo	4½	16.86 17.02	16.97-17.00
Paris	6¾	15.35 59	15.54½-.55½
Stockh'lm.	5	12.47-.42	12 48 48½
Tokyo	5¼	810-840	825-835
Vienna	5	58 01 61.53	53.70-63.75
Zurich	3¾	9.75 .85	9.78 .79

Φ The Bank of Portugal was reported on Thursday to quote escudos for sale at 68.42 to the pound for approved commercial and other transactions.
Δ Bank of Portugal discount rate.
†† Basic discount rate

OTHER MARKET RATES

		¶Note rates.	
Argentina	12.22-12.32	Argentine	14-16
Australia	2.1429-2.1614	Austria	58-61
Brazil	13.10-13.30	Belgium	117-121
Greece	73.20-73.60	Brazil	15-17½
H'ngKong	14.530-14.614	France	13.05-.35
Luxemb'g	118.45-118.85	Germany	8.30-8.40
Malaysia	7.3525-7.3850	Italy	1475-1625
N.Zealand	2.1367-2.1492	Japan	825-875
*S. Africa	1.7484-1.7651	Neth'rl'n's	8.40-8.60
U.S.— Canada $C1 = U.S. cents		Spain	168-171
		Switz'land	9.60-9.80
	98.60-98.63	U.S.	2.45-2.47

¶ Rates quoted by specialist dealers. Other rates may be quoted elsewhere.
* Rate now fluctuating.

FORWARD RATES

—	One month	Three months
New York	⅝-¾ c. dis.	1⅛-1⅛ c. dis
Montreal	¼-⅛ c. dis.	⅜-⅞ c. dis.
Amst'dam	1 c. pm-par	5-4 c. pm
Brussels	45-05 c. pm	90-50 c. pm
Copenh'n.	6-11 ore dis	13-18 ore dis
Frankfort	1¼-¼ pf. pm	5½-4½ pf pm
Lisbon	n.a.	n.a.
Milan	7 lire pm-par	15-5 lire pm
Oslo	8-1 ore pm	18-8 ore pm
Paris	10-2 c. pm	24-14 c. pm
Stockh'lm	½-1½ ore dis	½-1½ ore dis
Vienna	50gro. pm-10dis	100-20 gro pm
Zurich	6 4 c. pm	13-11 c. pm

ACCOUNT DEALING DATES

Option *First Dealings	Declarations	Last Dealings	Account Day
Aug. 23	Sept. 2	Sept. 3	Sept. 14
Sept. 6	Sept. 16	Sept. 17	Sept. 28
Sept. 20	Sept. 30	Oct. 1	Oct. 12

* "New time" dealings may take place from 5 p.m. three business days earlier.

UNIT TRUST PRICES

(Supplied by Managers)

REGIONAL MARKETS

FINANCIAL TIMES STOCK INDICES

—	Sept. 3	Sept'ber 2	Sept'ber 1	August 31	August 27	August 26	A Year ago
Government Sec.	76.38	76.30	75.67	75.53	75.88	75.89	70.09
Fixed Interest	76.01	75.88	75.19	75.09	75.17	75.17	71.94
Industrial Ordinary*	417.6	418.9	413.0	411.6	415.8	416.2	338.8
Gold Mines	50.5	49.2	48.0	47.9	48.7	51.0	51.5
Ord. Div. Yield pc	3.67	3.66	3.71	3.72	3.68	3.68	4.93
Earnings Yield pc (a)	5.73	5.71	5.79	5.81	5.74	5.74	6.81
P.E. Ratio (a)	17.44	17.50	17.27	17.21	17.48	17.42	14.69
Dealings Marked	11,411	10,224	10,108	10,169	10,678	11,738	7,794

*10 a.m. 419.6 11 a.m. 418.9 Noon 419.2 1 p.m. 417.8 2 p.m. 417.0 3 p.m. 417.2

(a) Based on 40% corp. tax from March 30, 1971. Latest Index 01-248 8026

HIGHS AND LOWS

—	1971 High	1971 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	76.38 (3/9/71)	68.83 (4/1/71)	127.4 (9/1/35)	64.21 (11/6/69)
Fixed Int.	76.01 (3/9/71)	69.65 (4/1/71)	150.0 (28/11/47)	67.12 (11/6/69)
Ind Ord.	419.2 (25/8/71)	305.3 (3/5/71)	521.9 (19/9/68)	49.4 (26/6/40)
Gold Mines	61.3 (13/5/71)	47.9 (31/8/71)	100.0 (12/9/55)	44.0 (13/1/70)

Basis 100 Govt Secs 15/10/26 Fixed Int. 1928. Ind Ord 1/7/35 Gold Mines 2/9/55 S E Activity July-Dec. 1942

S.E. ACTIVITY

—	Sept'ber 3	Sept'ber 2
Daily—		
Gilt-Edged	226.1	201.5
Industrials	402.3	359.9
Speculative	148.1	130.3
Totals	259.7	232.7
5-day ave—		
Gilt-Edged	185.6	175.9
Industrials	379.1	385.9
Speculative	140.2	140.3
Totals	239.4	240.9

SHARE INFORMATION SERVICE: NOTES

WEEKLY AVERAGES OF U.K. INDICES

CORAL INDEX

Close 417½-422½

A copy of this Prospectus, having attached thereto the documents referred to below, has been delivered to the Registrar of Companies for registration.
Application has been made to the Council of The Stock Exchange, London, for permission to deal in and quotation for the whole of the issued share capital and £10,000,000 *nominal of 8½ per cent. Partly Convertible Unsecured Loan Stock 1981 ("the Loan Stock") of Slater, Walker Investment Trust Limited ("the Company").*
The Application Lists for the ordinary shares and Loan Stock now offered will open at 10 a.m. on Thursday, 9th September, 1971, and will close on the same day.

Slater, Walker Investment Trust Limited

Slater, Walker Limited *on behalf of the Company*
Offer for Subscription

12,500,000 ordinary shares of 50p each at £1 per share and £10,000,000 8½ per cent. Partly Convertible Unsecured Loan Stock 1981 at par Payable in full on application

The Directors are aware that firm applications will be made for 8,125,000 ordinary shares and £6,500,000 nominal of the Loan Stock which will be allotted in full

SHARE CAPITAL

		Issued [...] now to [...]
Authorised £10,000,000	in 20,000,000 ordinary shares of 50p each	£6,250,[...]

LOAN CAPITAL

	To be iss[ued]
8½ per cent. Partly Convertible Unsecured Loan Stock 1981	£10,000,[000]

The Company and its subsidiary, Old Change Finance Limited ("Old Change"), have no outstanding mortg[ages], debentures, loan capital, bank overdrafts or similar indebtedness, hire purchase commitments, guarante[es or] material contingent liabilities other than in respect of the issue of the Loan Stock and a liability to pa[y] preliminary and issue expenses referred to below.

DIRECTORS
James Derrick Slater, F.C.A., High Beeches, Blackhills, Esher, Surrey. (Chairman)
James Albert William Nichols, 31 Bird in Hand Lane, Bickley, Kent. (Managing Director)
Brian Banks, 60 Spring Park Drive, Beckenham, Kent.
Eric John Farrell, 13 Egg Hall, Epping, Essex.

INVESTMENT MANAGERS
Slater, Walker Investments Limited, Leith House, 47/57 Gresham Street, London EC2V 7EP.

SECRETARY AND REGISTERED OFFICE
Colin David MacInnes, T.D., M.A., A.C.I.S., 30 St. Paul's Churchyard, London EC4M 8DA.

BANKERS
Slater, Walker Limited, 30 St. Paul's Churchyard, London EC4M 8DA.
National Westminster Bank Limited, 21 Lombard Street, London EC3P 3AR.

SOLICITORS
Clifford-Turner & Co., 11 Old Jewry, London EC2R 8DS.

AUDITORS
Peat, Marwick, Mitchell & Co., 11 Ironmonger Lane, London EC2P 2AR. (Chartered Accountants)

BROKERS
Joseph Sebag & Co., 3 Queen Victoria Street, London EC4N 8DX, and The Stock Exchange, London.

TRUSTEE FOR THE LOAN STOCKHOLDERS
Alliance Assurance Company Limited, Bartholomew Lane, London EC2N 2AB.

RECEIVING BANKERS
Midland Bank Limited, New Issue Department, P.O. Box 518, Austin Friars House, Austin Friars, London EC2P 2HU.

REGISTRARS AND TRANSFER OFFICE
Oakfield Registrars Limited, Oakfield House, Perrymount Road, Haywards Heath, Sussex RH16 3BR.

INTRODUCTION

The Company has been formed by Slater, Walker Limited in order to invest principally in companies whose underlying asset values are in excess of their quoted market price and where substantial medium term appreciation on the market price can be foreseen as a result of take-overs, mergers or internal reorganisations. *The Company's investments will be managed* by Slater, Walker Investments Limited ("the Managers") who already manage funds of unit trusts, investment *trusts, corporate and private clients, having an aggregate* total of approximately £100 million. The Managers are particularly experienced in the evaluation of and *investment* in the type of investment opportunity in which the Company will specialise.

Subscriptions are invited for 12,500,000 ordinary shares and £10,000,000 of Loan Stock. Slater, Walker Limited, its associates and the Directors of the Company will subscribe for 3,125,000 ordinary shares and £3,225,000 of Loan Stock and other leading Institutions have agreed to apply for a further 5,000,000 ordinary shares and £3,275,000 of Loan Stock, which applications will be allotted in full.

GEARING

The Directors feel that gearing is an important factor in achieving capital growth particularly at a time of severe inflation and that the present high cost of borrowing is likely to be more than off-set by future capital and income growth. The Company will have available an 80 per cent. gearing factor until such time as conversion rights are exercised and accordingly any rise or fall in the value of its portfolio will result in a proportionately greater rise or fall in the asset value of the shares now being issued.

INVESTMENT MANAGEMENT AND POLICY

The investment policy of the Managers will be designed to achieve an above average rate of capital growth and investment will initially be confined to United Kingdom quoted securities. The only restriction placed upon investment under the Memorandum and Articles of Association of the Company is that not more than 15 per cent. of the Company's portfolio can be invested in securities of any one company. The Company reserves the right to acquire controlling interests in other companies should suitable opportunities arise. The Directors do not propose to invest more than 10 per cent. of the funds of the Company in unquoted securities. Old Change, the Company's wholly owned investment dealing *subsidiary, will in the main invest* in similar situations of a shorter term nature.

TAXATION

The Company is not a close company and its status is not expected to change after this issue. It is the intention of the Directors to ensure that the Company will satisfy the conditions for approval as an investment trust laid down in Section 359 of the Income and Corporation Taxes Act 1970 (formerly Section 37 of the Finance Act 1965) and to apply to the Inland Revenue for approval of the Company as an Investment Trust. *Subject to such approval being granted, any* net realised chargeable gains (after tax) made by the Company will be allowable in the hands of share*holders as* a deduction in calculating any chargeable gains on disposal of the shares held by them and also chargeable gains realised by the Company will be subject to corporation tax at the rate of 30 per cent. as against the present rate applicable to companies of 40 per cent.

Under the provisions of Section 357 (1) and (2) of the Income and Corporation Taxes Act *1970 (formerly* Section 67 (3) and (4) of the Finance Act 1965) the Company, subject to the approval of the Inspector of *Taxes, will apportion between the shareholders* the deduction which shareholders are entitled to make in calculating any chargeable gain on disposal of their shares and will provide shareholders with certificates in respect of such deduction.

ACCOUNTS AND DIVIDEND POLICY

The first accounts will be made up for the period to 30th September, 1972.

The revenue which the Directors estimate will be received in the first accounting period should enable the Directors, after allowing for payment of interest on the Loan Stock and all other expenses, to pay or recommend *gross dividends totalling four per cent.* On this basis two per cent. would be paid as an interim dividend in or about July, 1972, and two per cent. recommended as a final dividend payable in or about January, 1973. At the issue price the yield on this basis would be two per cent.

AUDITORS' REPORT

The following is a copy of a Report dated 1st September, 1971, received by the Directors of the Company from Peat, Marwick, Mitchell & Co., the Auditors of the Company and Old Change:—

The Directors,
Slater, Walker Investment Trust Limited.

1st September, 1971.

Dear Sirs,

We report that Slater, Walker Investment Trust Limited ("the Company") and its wholly-owned *subsidiary* Old Change Finance Limited ("Old Change") were both incorporated on 5th August, 1971, and that since that date no accounts have been made up in *respect of* the Company or Old Change and no dividends have been declared or paid by the Company.

Yours faithfully,
PEAT, MARWICK, MITCHELL & CO.,
Chartered Accountants.

PARTICULARS OF THE LOAN STOCK

The 8½ per cent. Partly Convertible Unsecured Loan Stock 1981 ("the Stock") was created by a resolution of the Directors of Slater, Walker Investment Trust Limited ("the Company") and will be constituted by a Trust Deed between the Company and Alliance Assurance Company Limited as Trustee ("the Trustee"). The Trust Deed will contain (inter alia) provisions to the following effect:—

1. Interest
Interest on the Stock at the rate of 8½ per cent. per annum will be payable by equal half-yearly instalments on 31st March and 30th September in each year. The first payment of interest will be made on 31st March, 1972, in respect of the period commencing on 15th September, 1971, and ending on 31st March, 1972, and will amount to £4·62 (less income tax) per £100 nominal of the Stock.

2. *Conversion Rights*
(a) A holder of Stock will be entitled, upon delivering to the Company not earlier than 15th February and not later than 15th March ("the conversion period") in any of the years 1974 to 1981 (both inclusive) the certificate or certificates for his Stock with the notice(s) of conversion endorsed thereon duly completed to convert on and with effect from the last day of the conversion period ("the conversion date") one-half (or the nearest multiple of £1·00 below one-half) of such amount of the Stock held by him (being Stock in respect of which conversion rights have not already been exercised) as he may specify into fully paid ordinary share capital of the Company. The basis of conversion (subject to any adjustment under sub-paragraph (f) below) will be at the rate of 50p nominal amount of ordinary share capital for every £1·00 nominal amount of Stock converted.

Fractions (if any) of ordinary shares to which Stockholders who convert would otherwise be entitled will not be allotted but will be aggregated and sold and the net proceeds distributed rateably among those Stockholders entitled thereto, unless such net proceeds amount to less than 50p in respect of any one holding in which case they will not be paid but will be retained for the benefit of the Company.

If for any reason the audited accounts of the Company for its financial period ended on the immediately preceding 30th September shall not be posted to Stockholders by 14th February in any of the years 1974 to 1981 (both inclusive) the relevant conversion period shall be the period of thirty-two days immediately following the date of despatch of such accounts, and the Company will inform Stockholders of such adjustment by notice in writing.

(b) Interest on Stock converted shall cease to accrue as from the *interest payment date immediately preceding the relevant* conversion date.

(c) Ordinary share capital arising on conversion will be allotted with effect from and not later than 14 days after the relevant *conversion date and shall rank in full for all dividends and (unless* adjustments shall have been made under sub-paragraph (f) below in respect thereof) other distributions paid, declared or made upon the ordinary share capital of the Company in respect of the financial *period of the Company current at such conversion date (subject* to such adjustments as to dividends and such other distributions as may be necessary arising out of any capitalisation issue to which sub-paragraph (f) below applies) but not in respect of any earlier *period and in all other respects shall rank pari passu and form one* class with the ordinary share capital in issue on the relevant conversion date.

(d) The Company shall use its best endeavours to ensure that *permission to deal in and quotation for all the ordinary share capital* allotted on conversion shall be granted upon allotment thereof by The Stock Exchange, London, and any other Stock Exchange upon which the ordinary share capital of the Company is then quoted. Within 28 days after the relevant conversion date, the Company will send (free of charge) to each holder who has exercised his conversion rights a certificate for the Stock registered in his name to which no further conversion rights attach and a certificate for the ordinary share capital arising on conversion together, where appropriate, with a certificate for the Stock registered in his name in respect of which conversion rights still attach and a cheque in respect of any fractional entitlement.

(e) The Company will maintain in being and unissued an amount of authorised ordinary or unclassified share capital sufficient to meet in full all outstanding rights of conversion into or subscription for ordinary shares.

(f) *If during the existence of the conversion rights the Company* shall allot any ordinary share capital credited as fully paid by way of capitalisation of profits or reserves (including share premium account and capital redemption reserve fund) then on each such occasion the basis of conversion shall be appropriately adjusted. The Company shall not capitalise any profits or reserves on terms which would require the basis of conversion set out in sub-paragraph (a) above to be adjusted to more than £1·00 nominal of ordinary share capital per £1·00 nominal of Stock. Within 28 days *after any such capitalisation issue the Company shall inform the* Stockholders by notice in writing of the adjusted basis of conversion.

(g) If during the existence of the conversion rights any offer or invitation (not falling within sub-paragraph (j) below) is made *to the ordinary shareholders of the Company, the Company shall* make or, so far as it is able, procure that there is made a like offer or invitation at the same time to each Stockholder as if the conversion rights attaching to the Stock registered in his name on the record date for such offer or invitation had been exercisable and exercised in full at the rate then applicable.

(h) During the existence of the conversion rights, provisions for the protection of the conversion rights will include prohibitions on the following:—

(i) (A) the capitalisation of profits or reserves otherwise than by the allotment of fully-paid ordinary share capital to holders of the Company's ordinary shares or by the allotment to holders of equity share capital issued under (ii) of this sub-*paragraph of ordinary share capital or equity share capital* ranking pari passu in all respects (or in all respects save for the first dividend payment thereon) with such equity share capital held by them respectively; and
(B) *any allotment during a conversion period (or based on a* record date within such a period) in pursuance of such a capitalisation;

(ii) (A) (a) the issue of any new class of equity share capital which as regards rights as to voting, dividends or capital has more favourable rights than those attached to the existing ordinary share capital save as provided in (i) (A) above and (B) below: *(b) the modification of the rights attached to the* existing ordinary share capital as a class; and (c) the modifica*tion of the rights attached to any other class of equity share* capital so that as regards any of such matters as aforesaid it has rights more favourable than those attached to the existing ordinary share capital:
(B) nothing in (ii) (A) (a) above shall prevent the issue of any equity share capital carrying rights for a period not exceeding five years from the date of issue to dividends greater than those paid in respect of the ordinary share capital provided that such equity share capital shall have been issued by way of consideration or part consideration for the acquisition of share or loan capital of another company and that the dividend payable on such equity share capital in respect of any financial year during *such period shall not be at a rate in excess of three times the rate of dividend declared on the ordinary share capital in respect of* the same financial year:

(iii) the distribution of capital profits or capital reserves or profits or reserves arising from a distribution after 2nd September, 1971, of capital profits or capital reserves of a subsidiary other than a capitalisation permitted under (i) (A) of this sub-paragraph:

(iv) the ending of a financial period of the Company other than on 30th September except with the consent of the Trustee;

(v) the reduction of the share capital of the Company, any uncalled liability in respect thereof or (except as authorised by Sections 56 (2) and 58 (5) of the Companies Act 1948) share premium account or capital redemption reserve fund.

(i) If at any time during the existence of the conversion rights the Company commences *liquidation whether voluntary or compulsory* or if the Stock shall become repayable the Company shall promptly give notice thereof to Stockholders any of whose Stock is capable of conversion and thereupon each Stockholder shall in respect of all or any of his Stock to which *conversion rights attach be entitled* within six weeks after the giving of such notice by the Company by notice in writing to the Company to elect to be treated as if his rights of conversion had been exercisable and exercised on the day prior to such event *on the basis then applicable. In the case of liquidation* each Stockholder shall in respect of that part of the Stock specified in his notice which is deemed to be converted be entitled to be repaid in respect of such Stock a sum equal to the amount to which he would have become entitled in such liquidation if he had been the holder of the ordinary share capital (including any fraction of an ordinary share) to which he would have become entitled by virtue of such deemed conversion but interest on such Stock will not accrue after the interest payment date on or immediately preceding the date of such event.

(j) If at any time during the existence of the conversion rights an offer is made to all ordinary shareholders of the Company (or all such shareholders other than the offeror and/or any company controlled by the offeror and/or persons acting in concert with the offeror) to acquire the whole or any part of the issued ordinary share capital of the Company and the Company becomes aware that the right to cast more than fifty per cent. of the votes which may ordinarily be cast at a General Meeting of the Company has or will become vested in the offeror and/or such companies or persons as aforesaid, the Company shall give notice to the holders of Stock to which conversion rights still attach of such vesting within fourteen days of its becoming so aware, and each such Stockholder shall have the right within the period of three months from the date of such notice to exercise his conversion rights during the said period of three months in respect of all or any part of his Stock by completing the notice of conversion on the Stock certificate and depositing the same with the Company. For the purposes of this sub-paragraph the basis of conversion shall be that applicable on the date on which the said offer is made, after making any appropriate *adjustments pursuant to sub-paragraph (f) above.*

(k) The Company will give Stockholders notice in writing not less than four nor more than six weeks prior to the end of each conversion period reminding them of the conversion rights then *arising or current and stating the relevant basis of conversion.*

(l) The Trustee will have the right to exercise any conversion rights not exercised by the last conversion date and to sell for the benefit of the Stockholders entitled thereto the ordinary shares issued *on conversion.*

3. Redemption and Purchase
(a) The Company may at any time purchase Stock either on any recognised Stock Exchange or by tender available to all Stockholders alike at any price or by private treaty at a price not exceeding ten per cent. above the middle market quotation therefor on any recognised Stock Exchange ruling on the previous dealing day (inclusive of accrued interest but exclusive of all costs of purchase) but not otherwise.

(b) All Stock not previously redeemed, purchased by the Company or converted will be repaid at par, together with accrued interest, on 30th September, 1981.

(c) All Stock redeemed, purchased by the Company or converted in accordance with any of the foregoing provisions shall be cancelled and shall not be re-issued.

4. Restriction on Borrowing
(a) The aggregate principal amount (including any fixed or minimum premium payable on final repayment) at any one time outstanding in respect of all moneys borrowed by the Company and its subsidiaries whether secured or not (exclusive of borrowings by the Company from a subsidiary or by one subsidiary from another or from the Company) shall not without the sanction of an Extraordinary Resolution of the Stockholders exceed an amount as certified by the Auditors of the Company ("the Auditors") equal to twice the aggregate of:—

(i) the amount paid up or credited as paid up on the issued share capital of the Company: and
(ii) the amounts standing to the credit of the capital and revenue reserves (including share premium account capital redemption reserve fund and profit and loss account);

based on a consolidation of the then latest audited balance sheets of the Company and its subsidiaries but after—

(A) making such adjustments as may be appropriate in respect of any variation in interests in subsidiaries and in such share capital and capital reserves since the date of the latest relevant audited balance sheets;
(B) excluding therefrom (i) any sums set aside for taxation; and (ii) amounts attributable to outside shareholders in subsidiaries;
(C) deducting therefrom (i) an amount equal to any distributions (other than attributable to the Company) out of profits earned *prior to the dates of the latest relevant audited balance sheets* and which have been declared, recommended or made since such dates except in so far as provided for in such balance sheets; (ii) amounts attributable to goodwill and other *intangible assets; and (iii) any debit balances on profit and* loss account;
(D) making such adjustments as may be appropriate to the values of the investments owned by the Company and its subsidiaries *to reflect (so far as attributable to the Company) the market* values of quoted investments and any valuation of unquoted investments adopted by the Directors for the purposes of the relevant accounts (after making such provision for taxation of capital gains as the Auditors consider appropriate); and
(E) *making such other adjustments (if any) as the Auditors may* consider appropriate.

(b) For the purposes hereof *except in so far as otherwise taken* into account:—

(i) The principal amount of any debenture (as defined in Section 455 of the Companies Act 1948) for the time being outstanding of the Company or any subsidiary whether issued for cash or otherwise shall be deemed to be moneys borrowed;
(ii) The principal amount of any moneys borrowed by or indebtedness of any body corporate or unincorporate and the nominal amount of any share capital the repayment or redemption whereof is for the time being guaranteed or secured by the *Company or any subsidiary shall be deemed to be moneys* borrowed by the Company or by such subsidiary as the case may be:
(iii) The nominal amount of any issued share capital (other than equity share capital) of any subsidiary not owned by the Company or by another subsidiary shall be deemed to be moneys borrowed by such first-mentioned subsidiary:
(iv) The amount outstanding of any acceptance by any bank or accepting house under any acceptance credit opened in favour of the Company or any subsidiary shall be deemed to be moneys borrowed by the Company or subsidiary concerned.

(c) For the purposes hereof:—

(i) Moneys borrowed for the purpose of repaying within six months of their first being borrowed the whole or any part of other moneys borrowed by the Company or any subsidiary which fall to be taken into account (including any fixed or minimum premium payable on final repayment) shall not pending their application for such purpose within such period be deemed to be moneys borrowed;
(ii) Moneys borrowed shall not include a proportion of the borrowings of any partly owned subsidiary (but only to the extent that an amount equivalent to such proportion exceeds sums borrowed if any from such partly owned subsidiary by the Company or another subsidiary) such proportion being that which the issued ordinary share capital which is not for the time being beneficially owned directly or indirectly by the *Company bears to the whole of the issued ordinary share* capital of such partly owned subsidiary;
(iii) Moneys borrowed and outstanding in a currency other than sterling shall be converted into sterling at the rate of exchange (as defined in the Trust Deed) for such currency ruling from time to time provided that if there shall be any change (as also so defined) in such rate of exchange then for the purpose of calculating the sterling equivalent of moneys borrowed and outstanding in such currency such change shall not be taken *into account for the purpose of such calculation until the* expiry of twelve months from the date of such change;
(iv) The Company shall not be in breach of the limit contained in sub-paragraph (a) above by reason only of such limit being *exceeded as a result of the acquisition by the Company or a* subsidiary of a subsidiary provided that prior to such acquisition the Company shall have satisfied the Trustee that such limit which would (apart from this provision) have been thereby breached will be observed again within six months of the acquisition: and
(v) Any company which it is proposed shall become or cease to be a subsidiary contemporaneously with any relevant transaction shall be treated as if it had already become or ceased to be a subsidiary.

5. Alteration to Nature of Business
The Company shall not and shall procure that its subsidiaries shall *not (whether by acquisition or otherwise) make any alteration to the* nature of their businesses taken as a whole which would constitute a major alteration in the general nature of the businesses of the Company and its subsidiaries being that of holding and dealing in investments.

6. Trustee's Consents and Indemnification
Any consents given by the Trustee may be given on such terms and conditions (if any) as the Trustee thinks fit. The Trust Deed will contain provisions for the indemnification of the Trustee.

7. Further Stock
Subject to the terms hereof provision will be made to enable further unsecured loan stock of the Company to be issued either so as to be identical in all respects with and to form a single issue with the Stock or on such terms, including rights as to interest, conversion, premium, repayment and otherwise as the Directors may determine. Such further stock shall if identical and forming a single issue with the Stock and may in any other case with the consent of the Trustee be constituted by a Deed supplemental to the Trust Deed constituting the Stock.

8. Transfer
The Stock will be registered and transferable in amounts and multiples of £1.

9. Modification of Rights
The Stockholders may by Extraordinary Resolution (as defined in the Trust Deed) sanction (inter alia) any modification or compromise of or arrangement in respect of their rights and assent to any modification of the Trust Deed. In addition, such modifications to the provisions of the Trust Deed as may be agreed between the Company and the Trustee may be made without the sanction of an Extraordinary Resolution provided that the Trustee is satisfied that any such modification would not be materially prejudicial to the interests of the Stockholders.

The Trust Deed will not contain any provisions precluding the Company and its subsidiaries from disposing of any of their respective assets or from creating charges.

STATUTORY AND GENERAL INFORMATION

Share and Loan Capital
The Company was incorporated in England under the Companies Acts 1948 to 1967 on 5th August, 1971, with the name Sawleydene Limited, and an authorised share capital of £100 divided into 100 ordinary shares of £1 each, of which two shares were issued for cash at par to the subscribers. On 16th August, 1971, the two subscribers' shares were transferred to two nominees of Slater, Walker Limited ("Slater Walker") and ninety-eight ordinary shares were issued to Slater Walker for cash at par. On 25th August, 1971, the Company resolved that its name be changed to Slater, Walker Investment Trust Limited. On 3rd September, 1971, the existing share capital of the Company was sub-divided into 200 ordinary shares of 50p each, the authorised share capital of the Company was increased to £10,000,000 by the creation of 19,999,800 ordinary shares of 50p each, the Company was converted into a public company and new Articles of Association were adopted. The Company has one subsidiary, Old Change, which was incorporated in England under the Companies Acts 1948 to 1967 on 5th August, 1971, as a private company with the name Stanfleet Limited, and on 25th August, 1971, resolved that that name be changed to its present name. Old Change, which is wholly owned by the Company, has an issued share capital of £2.

The Loan Stock was created by a resolution of the Directors passed on 3rd September, 1971. The full exercise of the conversion rights attaching to the Loan Stock would result in the issue of a further 5,000,000 ordinary shares of the Company.

Articles of Association
The Articles of Association of the Company contain (inter alia) provisions to the following effect:—

Voting
Subject to any special terms as to voting upon which any shares may have been issued, on a show of hands every member present in person shall have one vote and on a poll every member present in person or by proxy shall have one vote for every 50p in nominal amount of shares held by him.

Directors
There is no share qualification for Directors.

The Directors shall be entitled to remuneration at such a rate as the Company in General Meeting may from time to time resolve, together with all reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors including any expense incurred in attending *Meetings of the Board or of committees of the Board or General* Meetings, and if in the opinion of the Directors it is desirable that any of their number should make any special journeys or perform any special services on behalf of the Company or its business, such *Director or Directors* may be paid such reasonable additional remuneration and expenses therefor as the Directors may from time to time determine.

The Directors may give or award pensions, annuities, gratuities, *and superannuation or other allowances or benefits to any persons* who are or have at any time been Directors of or employed by or in the service of the Company or of any subsidiary or associated company and to the relatives and dependants of any such persons, and any Director may vote as a Director in respect of the exercise of such power, notwithstanding that he is or may be or become interested therein.

Section 185 of the Companies Act 1948, regarding the retirement and re-appointment of Directors over the age of 70, applies to the Company.

Borrowing Powers
The Directors may borrow or raise from time to time such sums of money as they think necessary for the purposes of the Company. The aggregate amount at any one time owing by the Company and/or any of its subsidiaries in respect of moneys borrowed by it or them or any of them (exclusive of moneys borrowed by the Company or any of its subsidiaries from any other of such company *or companies) shall not at any time, without the previous sanction* of the Company in General Meeting, exceed a sum equal to twice the aggregate of the issued and paid-up share capital of the Company and the amounts standing to the credit of the consolidated capital and revenue reserves (including *share premium account, capital* redemption reserve fund and profit and loss account) of the Company and its subsidiaries (calculated as more particularly set out in the Articles of Association).

Restrictions on Investment
The Company shall procure that, save for investment in a company carrying on the business of an investment trust or a company which would qualify as an investment trust for the purposes of Section 359 (1) of the Income and Corporation Taxes Act 1970 *where the shares or securities of that company, or a class of them,* are quoted on a recognised stock exchange, no holding in any one company at the time of acquisition of that holding will [...] more than 15 per cent. by value of the Company's inves[tments].

Dividends and Scrip Issues
The Directors shall establish a reserve to be called th[e Capital] Reserve and shall either carry to the credit of such res[erve from] time to time all moneys realised on or derived or arising [from the] *sale, realisation or payment off of or other dealings with a[ny capital]* assets of the Company in excess of the book value of th[e same or] apply such moneys in providing for depreciation or conti[ngencies]. There shall also be carried to the credit of such reserve an[y ...] *of a capital nature or anything received by the Company [...]* reduction or other return of capital or share premium a[...] by way of capitalisation of reserves of any company in [which the] Company holds securities. The Capital Reserve shall not be [available] for dividend. Any losses realised on the sale, realisation o[r payment] off of or other dealings with any capital assets and any de[...] in the value of any capital assets shall be debited together [with any] taxation relevant to capital transactions to the Capita[l Reserve] *and shall not be debited to the profit and loss account.*

Directors' and Substantial Interests
The Directors will, following the allotment of ordin[ary shares] pursuant to their firm applications, have the following [...] *interests, including their family interests (as defined in [...]* Exchange regulations), in the ordinary shares of the Com[pany]:

J. D. Slater	100,000	B. Banks	5,[...]
J. A. W. Nichols	5,000	E. J. Farrell	5,[...]

Mr. J. D. Slater is Chairman of Slater Walker and Slat[er Walker] Investments Limited of which company Mr. J. A. W[...] Mr. B. Banks and Mr. E. J. Farrell are also Directors; these c[ompanies,] which are both wholly-owned subsidiaries of Slate[r Walker] *Securities Limited, will receive fees for their services in [...]* with these issues and the management of the investme[nts of the] Company and Old Change, respectively.

The Directors and their immediate families beneficially *interested in the following ordinary share capital of Slat[er Walker]* Securities Limited: J. D. Slater, 1,000,000 fully pa[id ...] J. A. W. Nichols, 20,000 shares (2½p paid); B. Banks, 20,[...] (2½p paid) and E. J. Farrell, 19,000 shares (2½p paid). [...] *has an option to subscribe for 5,466 shares.*

None of the Directors has any service agreement [with the] Company or Old Change.

In so far as is known no person or company, other th[an Slater] *Walker and its associates which will have a benefici[al interest]* in 3,010,200 ordinary shares and £3,225,000 nominal o[f Loan] Stock, will have a beneficial interest exceeding 10 per c[ent. of the] issued share capital of the Company.

Material Contracts
The following contracts (not being contracts in the ordin[ary course] of business) have been entered into since incorporation [and] may be material:—

(i) *Dated 3rd September, 1971, between the Com[pany and]* Slater Walker whereby Slater Walker has agreed, [subject to] permission to deal in and quotation for the whole of [the issued] share and loan capital of the Company being gra[nted by the] *Council of The Stock Exchange, London,* on [or before] 17th September, 1971, to underwrite the issues for [a commis]sion of one-half of one per cent. on 8,125,000 ordi[nary shares] and £6,500,000 nominal of the Loan Stock, and [a com]*mission of two per cent., out of which it will [...]* underwriting commission of one and a quarter pe[r cent. on] 4,375,000 ordinary shares and £3,500,000 nomi[nal of the] Loan Stock.

(ii) *Dated 3rd September, 1971, between the Compa[ny and the]* Managers, whereunder the Managers were ap[pointed to] manage the Company's investment portfolio for an [annual fee] of 0·5 per cent. of the gross value of the funds ma[naged, the] *agreement being terminable on three years' notice.*

General
Except as herein mentioned, there have been no alterat[ions in the share] capital of the Company or Old Change, no capital of the [Company] *or Old Change* has been issued nor is any proposed to [be issued], no commissions, discounts, brokerages or other spe[cial terms] have been granted in connection with the issue or s[ale of any] capital of the Company or Old Change and no unissue[d capital of] *the Company or Old Change is under option or agreed c[onditionally]* or unconditionally to be put under option.

Neither the Company nor Old Change has any litigatio[n or claim] of material importance pending or threatened against [...].

Under the Material Contract (i) above the Company [...] to pay all costs, charges and expenses of and incide[ntal to this] Prospectus and the application to the Council of The Stock [Exchange,] London, including printing and advertising charges, [...] *accountancy fees, Stock Exchange quotation fees, the u[nderwriting]* commission referred to above, and a fee to Slater Wal[ker out of] which it will pay a fee to the brokers and its own legal [...]. The total expenses payable by the Company, including [preliminary] expenses of £100 and capital duty of £100,000, are es[timated to] amount to £450,000.

The *minimum amount* which, in the opinion of the [Directors,] must be raised by the issue of ordinary shares and Lo[an Stock in] order to provide for the matters referred to in paragrap[h ...] Part I of the Fourth Schedule to the Companies Act 1948 [...] in respect of preliminary and issue expenses including [...] repayment of moneys borrowed for capital duty and [...] expenses. The Directors are of the opinion that, [taking into] account the net proceeds of these issues, the Company [will have] sufficient working capital for its requirements.

Slater Walker is the promoter of the Company. Save [as above] disclosed, no amount or benefit has been paid or give[n to Slater] *Walker by the Company since incorporation and none [...]* to be paid or given.

Consents and Documents
Peat, Marwick, Mitchell & Co. have given and have not [withdrawn] their written consent to the issue of this Prospectus with th[e inclusion] herein of their Report in the form and context in which [it is included].

The above-mentioned consent and copies of the [contracts] listed above were attached to the copy of this Prospe[ctus which] *has been delivered to the Registrar of Companies for r[egistration].*

Copies of the following documents will be available fo[r inspection] at the offices of Clifford-Turner & Co., 11 Old Jewr[y, London] EC2R 8DS, during usual business hours (Saturdays [excepted]) during the period of 14 days following the date of this Pro[spectus]:

(i) The Memorandum and Articles of Association of the [Company].
(ii) The Material Contracts referred to above.
(iii) The Auditors' Report contained in this Prospect[us and the] consent referred to above.
(iv) A proof (subject to modification) of the Trust Deed c[onstituting] the Loan Stock.

Method of Application

All applications for ordinary shares must be made on the application forms provided and must be for a minimum of 100 shares, fo[r multiples] of 100 shares up to 2,000 shares, for multiples of 500 shares from 2,000 up to 20,000 and thereafter in multiples of 5,000 shar[es].

All applications for Loan Stock must be made on the application forms provided, and must be for a minimum of £100 nominal, fo[r multiples] of £100 up to £2,000, for multiples of £500 from £2,000 up to £20,000 and thereafter in multiples of £5,000.

Applications must be lodged with Midland Bank Limited, New Issue Department, P.O. Box 518, Austin Friars House, Austin Fria[rs, London] EC2P 2HU, by 10 a.m. on 9th September, 1971. Applications for ordinary shares and for Loan Stock are separate applications [and each] application must be accompanied by a separate cheque (drawn on a bank or branch thereof in England, Scotland or Wales) ma[de payable] to "Midland Bank Limited" and crossed "Not Negotiable" in respect of full application moneys. Due completion and delivery of a[n applica]*tion form accompanied by the necessary cheque will* constitute an undertaking that the cheque will be honoured on first presenta[tion and] attention is drawn to the declaration to that effect on the application form. Applications which do not fulfil the conditions set [...] application form may be rejected.

The Company reserves the right to present all cheques for payment on receipt, to retain Allotment Letters and surplus applicati[on moneys] pending clearance of all applicants' cheques, to scale down any applications, and to reject any applications, including any which [appear] to be multiple or suspected multiple applications.

Acceptance of applications will be conditional upon the Council of The Stock Exchange, London, granting on or before 17th Se[ptember,] 1971 permission to deal in and quotation for the whole of the issued share and loan capital of the Company. In the meantime ap[plication moneys] in respect of applications will be retained by Midland Bank Limited in a separate account, and if such permission and quotatio[n are not] granted on or before that date, all such moneys will be repaid in full. If any application is not accepted, or if any application is acce[pted for a] smaller number of shares or lesser amount of Loan Stock than that applied for, the application moneys or surplus application mo[neys will] be returned by cheque through the post at the risk of the applicant.

Allotment Letters will be renounceable up to and including 29th October, 1971. Arrangements will be made for the registratio[n by the] Company of the ordinary shares and Loan Stock now being issued, free of stamp duty and registration fees, in the names of the [...] allottees or the persons whose names appear on the Registration Application Forms on duly renounced Allotment Letters and who [lodge] the same in accordance with the terms thereof. Share and Loan Stock Certificates will be ready for issue, in exchange for Allotme[nt Letters,] on or after 23rd November, 1971.

Copies of this Prospectus, incorporating the Application Forms, may be obtained from the following:—

Slater, Walker Limited,
30, St. Paul's Churchyard,
London EC4M 8DA

Joseph Sebag & Co.,
3, Queen Victoria Street, London EC4N 8DX, and
8, Bruton Street, London W1X 7AG

and from Midland Bank Limited, New Issue Department, P.O. Box 518, Austin Friars House, Austin Friars[, London] EC2P 2HU and all principal branches of Midland Bank Limited.

Dated 3rd September, 1971.

[...]tion form for
[...]er Investment Tru[st]

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DOUGLAS

Civil Engineering and Building Contractors

"Progress maintained despite a year of escalating costs," reports the Chairman, Mr. Robert M. Douglas, O.B.E.

The Annual General Meeting of Robert M. Douglas (Contractors) Limited will be held on 28th September at Shenstone House, 395, George Road, Erdington, Birmingham, 23.

The following is the Statement by the Chairman and Managing Director, Mr. Robert M. Douglas, O.B.E., circulated with the Report and Accounts for the year ended 31st March, 1971:—

It is with profound regret I have to refer to the sudden death last month of Mr. John Frederick Smith, a Director of R. M. Douglas Construction Limited.

Mr. Smith joined the Group in 1939 and has served the company with loyalty and efficiency for over 30 years. His contribution to the progress of your company was indeed a valuable one and he will be greatly missed by his colleagues and many friends.

Accounts

I am pleased to be able to report, as forecast in my statement last year and in the announcement of the interim results, that our progress has been maintained.

Turnover at £25,137,000 shows an increase of 14.2% and the Trading surplus at £1,572,313 shows an increase of 3.8%.

These results have been achieved during a period of unparalleled escalation in costs, restriction in the programmes of work available to tender, and rigid adherence by the Government to the policy of fixed price contracts for the construction industry.

After the charge of £620,362 for depreciation and bringing into account sundry income, the profit before taxation was £1,042,529—20.56% on the net assets employed. Corporation Tax at the rate of 40% requires £439,806 and after meeting this charge, the net profit for the year is £602,723—9.96p per Share. After bringing in the balance from the previous year and adjustments in respect of Investment Grants and taxation, there is available for disposal £1,924,768 of which £200,000 has been appropriated to General Reserve.

The interim dividend of 5% and proposed final dividend of 15% on the Ordinary Shares and of 1% upon the restricted Ordinary Shares are at the same rates as for the previous year. The undivided profit then carried forward to next year is £1,443,223.

The net assets employed as shown in the Consolidated Balance Sheet amount to £5,053,206—equivalent to 83.5p per Share.

For the first time and in order to comply with current accounting practice, details of the profits of B. C. Barton & Son Ltd., in which we hold a 26% interest, are given in the Report and Accounts and comparative figures for the previous year have been similarly adjusted. This company manufactures the major proportion of standard products (formwork and scaffolding) for Rapid Metal Developments Ltd. During the past year additional premises have been acquired and plant installed to provide an increase in productive capacity. This should enable us to meet the increased demand for our products.

General Contracting Activities—Building and Civil Engineering

R. M. DOUGLAS CONSTRUCTION LTD. The impact of rapidly rising costs to which I have already referred has been most severely felt in our general building and civil engineering work, in consequence of our having to bear the brunt of the extra charges on fixed price contracts.

This company has had a busy year on industrial projects, and motorway and major roadworks contracts.

The Midland Links Motorways contracts and the Aston Expressway project have been completed several months ahead of schedule and excellent progress has been maintained on our various similar contracts in the public sector.

We have completed successfully the large new tissue mill project at Prudhoe, Northumberland for Kimberly-Clark Ltd., important extensions and a new computer centre for Allied Breweries Ltd., and various major works for the British Steel Corporation, Metal Box Ltd., J. C. Bamford Excavators Ltd., and other valued clients.

We are busily engaged on the large new factory project at Wrexham for Fibreglass Ltd., a subsidiary of Pilkington Brothers Ltd. Further contracts have also been secured and are in hand for the British Steel Corporation and Tube Investments Ltd. and also extensive hospital buildings for the Birmingham Regional Hospital Board. Outside the Midlands area, where the issue of Industrial Development Certificates is still restricted by the Department of Trade and Industry, our turnover is being maintained in the South-Wales, North-East and North-West areas on a variety of building and civil engineering contracts.

BRITISH LIFT SLAB LTD. This member of our group which specialises chiefly in multi-storey building construction has had a most difficult year and has sustained a loss. This is largely attributable to the principle of fixed price contracts and unprecedented escalation in costs.

The company is a relatively large consumer of steel and cement and on certain schemes the increases which could not be foreseen in these two commodities alone have completely eroded the profit margin.

On the majority of contracts carried out the company is responsible for design work and for obtaining the requisite planning approvals. In consequence the time which elapses between negotiation of price and execution of work is somewhat prolonged. Several contracts secured and started in the previous financial year ending 31st March, 1970 have resulted in loss. Policy in this connection has been changed with a view to obviating a recurrence of this problem.

Apart from construction, several specialist contracts have been undertaken including the lifting of the 3,200-ton fabricated steel roof for the B.E.A. European 'Airbus' servicing hangar at Heathrow Airport from ground level to a height of 67 ft. which was successfully completed in five working days. Using the same special jacking system, the company has also been entrusted with the very important and delicate operation of lowering a reactor vessel for the United Kingdom Atomic Energy Commission.

The Siemcrete slipform department has had a very satisfactory year chiefly on silo construction both in England and Eire where operations were marred only by a long drawn out strike in the Irish cement industry.

Specialist Contracting Services

R. M. DOUGLAS ASPHALT & PAVING LTD.

R. M. DOUGLAS ROOFING LTD.

MARSHALL DAVIS & CO. LTD.

The value of work done by all units in this group has increased substantially, bringing satisfactory expansion of profits, with the exception of Marshall Davis & Co. Ltd. where results are slightly lower, due to a loss in one small branch, now closed.

Regional expansion has been further consolidated and appreciation from clients of the quality of the work done has been frequently expressed.

Whilst competition is keen a satisfactory volume of work lies ahead.

FOUNDATION ENGINEERING, SITE INVESTIGATION AND SOIL MECHANICS LABORATORY. The department has been entrusted with many important commissions throughout the country.

However, in consequence of restriction of forward preparation on new projects during the past year a smaller volume of site investigation work was undertaken and a small loss has therefore arisen.

Enquiries for new work are again being obtained in greater volume which encourages me to believe that a busier period lies ahead.

Equipment Supply and Formwork

RAPID METAL DEVELOPMENTS LTD. This company has done well throughout the year and increased profits have been earned. Orders for formwork, scaffolding and special equipment have increased considerably and an increased share of the market has been obtained.

Our systems are efficient and popular and it is satisfying to record that demand in all departments for both sale and hire of equipment currently exceeds that of the corresponding period of last year. A changeover from Imperial to Metric dimensions is taking place according to demand.

The continuous disturbances in Northern Ireland have affected our turnover in that region and our claim for damage to and loss of our Belfast depot and stock has not yet been settled.

Australia

RAPID METAL DEVELOPMENTS (AUST.) PTY. LTD. Here again I am able to report a satisfactory increase in turnover and profit for the accounting period to June, 1970, which is included in these accounts. The unaudited figures reported to us for the year to 30th June, 1971 also show a further encouraging expansion of turnover and profit.

Extensions to our head office in Adelaide necessitated by expansion are in progress and a programme of mechanisation of handling and maintenance facilities in our depots throughout the various states is being accelerated.

Our standard systems of formwork and scaffolding are now well-known and the number of users for both sale and hire has increased during the year. A considerable volume of work in relation to special forms for tunnels and other projects has been undertaken.

New Zealand

RAPID METAL FORMWORK (N.Z.) LTD. This company, the accounts of which are consolidated with those of the Australian company, maintained its progress during the year and opened a branch in Wellington. I am pleased to be able to say that the trading for the year to June, 1971 has resulted in a small profit.

During the last twelve months, New Zealand has suffered an intense wage spiral. The Government has attempted to control this by a price freeze which expired earlier this year and more recently by controlling wage award increases. Bank and institutional lending has also been tightly controlled. All of these factors, in addition to the control of building, have tended to reduce economic activity. It is anticipated, however, that as we are now well established both in Auckland and Wellington we should be able to maintain our present turnover and possibly increase it during the coming year.

Materials Supply

DOUGLAS CONCRETE & AGGREGATES LTD. Competition in the ready-mixed concrete field remains extremely keen. Notwithstanding the impact of heavy increases in costs in all spheres of activity, this company has had a successful year and turned in profits well in advance of those for the previous year. A satisfactory start has been made in the current year.

Housing and Property Development

R. M. DOUGLAS PROPERTY DEVELOPMENTS LTD. No further development has been commenced during the year.

Plant Hire

DOUGLAS HIRE CO. LTD. In my statement a year ago I reported that the results of this company disclosed a steady expansion of both turnover and earnings. I am pleased to say that this trend is continuing and a useful contribution has been made to the profits of the group.

Acquisitions

KEYS MASTIC ASPHALT LTD. Since the formation of R. M. Douglas Asphalt &Paving Ltd., their chief supplier of mastic asphalt has been W. H. Keys Ltd. of West Bromwich, with whom a valuable relationship has been developed. To ensure continuity of this mutually satisfactory arrangement and future supplies a new joint company in which we have a 26% interest has been formed to take over and operate the mastic asphalt production division of W. H. Keys Ltd.

WITLOR PLANT LTD. AND TAYWIT LTD. As stated in the Directors' Report we have acquired Witlor Plant Ltd., Taywit Ltd. and their subsidiaries which operate in the plant hire and equipment supply fields. It is hoped to pursue a gradual process of integration with our existing interests in this sphere and the addition of the turnover of the various units should make a useful contribution to our earnings in future years.

We have also taken a controlling interest in W. J. Whittall & Son Ltd., a very old established building company, and it is hoped that the long term effect of this interest will be beneficial to your company.

General

In view of the extremely difficult trading conditions prevailing during the past year in which the financial outcome of many of our activities, particularly our major long term contracts for building and civil engineering work, was severely influenced by increases in costs beyond our control the results now submitted to you are not unsatisfactory.

The policy of wide diversification of interests has contributed in no small measure to the stability and progress of your company and has proved to be a useful safeguard against difficulties arising in any particular sphere of activity.

Considerable expenditure has again been incurred in keeping up to date our extensive holding of construction equipment and transport.

The volume of work in the industrial field has kept up to the level of the previous year. We are able to offer through our regional organisations a local service to clients for large or small industrial projects which embraces site investigation, design and construction. The area offices are staffed by experienced teams who can also call on the valuable suport of our long established central departments.

The volume of general construction work in hand is lower than at the corresponding period last year but our supply and specialist units have a greater volume of work in hand and have made a satisfactory start to the year's trading. Recent indications of the expansion of the motorway and other construction programmes coupled with the anticipated improvement in the economic climate should assist in the creation of more normal trading conditions, particularly if the Government succeeds in its efforts to contain inflation. We also very much look forward to a change in the attitude of the Government to the present restrictions in the issue of Industrial Development Certificates in the Midlands area where industrial expansion is currently restricted. It will be noted from the accounts now submitted that your company is in a relatively strong position to take full advantage of any improvement in trading conditions and I am confident that the group is well organised to play its full part in any expansion of the economy.

With so much uncertainty as to rising costs it would be imprudent to make any definite forecast of the results for the current year. Subject to unforeseen circumstances I have, however, every confidence in our ability to ensure a steady rate of progress.

Finally, I again wish to pay tribute to my colleagues, our managers and staff for their excellent efforts in dealing with many difficult problems and for all they have done in the interest of your company during the past year.

Progress of the group during the past five years

	1967 £	1968 £	1969 £	1970 £	1971 £
Group Turnover	14,956,000	16,928,000	19,139,000	22,006,000	25,137,000
Profit before Taxation ...	925,320	1,014,241	913,059	989,481	1,042,529
Taxation	389,517	457,463	424,842	474,134	439,806
Profit after Taxation ...	535,803	556,778	488,217	515,347	602,723
Dividends (Gross)	234,451	245,421	253,146	282,020	281,545
Profit retained	334,795	373,846	243,376	237,570	414,434
Depreciation	367,681	493,454	554,711	658,289	620,362
Share Capital and Reserves	3,611,817	4,080,989	4,374,718	4,665,546	5,053,206

Robert M. Douglas (Contractors) Limited

AUDIO FIDELITY LIMITED

(Manufacturers and Retailers of Sound amplification equipment)

The Annual General Meeting of the company took place on 3rd September in Leeds. The Chairman, Mr. E. Powell, presided and the following is an extract from his circulated statement.

My previous statement regarding the half year's results indicated that the full year would be comfortably ahead of the previous year. Profits before taxation for the year ended 30th April, 1971, were £226,572, an increase of approximately 50%.

The dividend will be 4p (40%) compared to 33⅓% in the previous year. This, after waivers of dividends by my wife and myself on our holdings in the company, will absorb £35,470. At the same time it is intended to make an issue of shares by way of capitalisation of reserves and this is recommended in the proportion of one new share for every five shares held.

Prospects—With the exception of Linear Products Limited, all companies are trading at a higher level in the current year to date. It seems reasonable to hope that the introduction of new products by Linear will improve the situation for this company by the second half of the year. The removal by the Government of restrictions on Hire Purchase may well result in further increased Sales volume benefiting all members of the Group.

HOWARD TENENS SERVICES LTD.

CASEMAKING, PROCESSING, PACKAGING, TRANSPORT AND DISTRIBUTION

The Chairman, Mr. E. C. Morris, again reports increased turnover and group trading profit for the year to 31st March, 1971. The table below shows the progress of the company in the last four years:—

	1968 £000	1969 £000	1970 £000	1971 £000
Turnover	2,157	3,106	4,290	4,926
Profit before taxation	391	624	653	762
Dividends	83	107	125	165
Profits retained in Group ...	80	172	170	237

The Chairman adds: "Subject to the motor industry's continued success in export markets and a reduction in the industry's labour problems and stoppages, we should achieve another satisfactory year in 1971-72.

A copy of the Report and Accounts incorporating the Chairman's Statement can be obtained from the Secretary, Howard Tenens Services Limited, Stratton St. Margaret, Swindon, Wilts.

J. S. Ratcliffe Industries Ltd.

Extracts from the Chairman's statement at the Annual General Meeting in Rochdale on September 3rd 1971.

- Pre-Tax Group Profit for the year was £101,928. Net Profit was £59,428 compared with £76,936 for 1970.
- The pre-tax profit of Arthur Lord & Sons (Rochdale) Ltd. amounted to £42,638 compared with £39,085 for 1970.
- New plant and machinery costing £51,501 has been installed and is now in production. Unfortunately, industry suffered a set-back and the demand for our products was affected.
- A final dividend of 17½% is recommended, making a total of 22½% as before.
- The forward order book is in a very healthy state, including blanket orders from many customers. The high quality and service which we maintain is under the constant surveillance of our technical and design staff.
- The investment in Ratcliffe Iberica is dealt with at length in the Report and Accounts.
- The additional premises adjacent to our Norman Road Factory are almost ready for occupation. Despite difficult trading conditions we have maintained full-time working and the benefits of recent price increases should be felt in the current financial year.

... Clements ... The Financial Times ... Street, London, E.C.4. ... Financial Times Ltd. 1971

F.T. SHARE INFORMATION SERVICE

BRITISH FUNDS

Interest Due		Stock	Closing Price £	When last xd	Gross Yield pc Interest £	Gross Yield pc Redemption £
"Shorts" (Lives up to Five Years)						
15F.	15A.	Conv. 6pc 1972	100 1/32	8.7	5.97	4.99
1F.	8A.	Gas 4pc 69-72	98 [illegible]	2.7	4.04	5.17
8F.	8A.	Exchequer 6¾pc 1972	101 1/16	2.7	6.19	5.03
15J.	15J.	Exchequer 6¾pc 1973	102 1/16	8.6	6.61	5.15
1A.	1O.	Electric 3pc '68-73	96 7/8 xd	25.8	3.09	5.10
1A.	1O.	Transport 3pc '68-73	97 1/8 xd	25.8	3.09	4.93
15J.	15D.	Conv. 6¼pc 1974	98 [illegible]	10.5	6.55	5.95
11J.	11D.	Treasury 6¾pc 1974	102 1/8	6.5	6.61	6.01
15F.	15A.	Saving 3pc '65-75	90 1/8	9.7	3.33	5.83
—		Treas. 6% 1975 ●	98 [illegible]	—	6.06	6.35
1M.	1S.	Exch. 6½pc 1976	99 [illegible] xd	26.7	6.53	6.65
15F.	15A.	Treasury 6½pc 1976	99 [illegible]	8.7	6.53	6.63
Five to Fifteen Years						
1M.	1S.	Victory 4pc 1976	100 xd	26.7	4.00	4.00
1M.	1N.	Funding 4pc '60-90	98½	25.5	4.12	5.18
16M.	16S.	Electric 3pc 1974-77	87¾	6.8	3.42	5.59
20J.	20D.	Transport 4pc '72-77	89¾	14.5	4.50	6.15
26M.	26S.	Exchequer 5pc '76-78	91 5/8 xd	20.8	5.45	6.49
26M.	26S.	Electric 4¼pc '74-79	85 7/8 xd	20.8	4.94	6.49
15M.	15N.	Do. 3½pc '76-79	82 [illegible]	8.4	4.31	6.48
15J.	15D.	Treasury 3½pc '77-80	81 [illegible]	10.5	4.34	6.42
15J.	15D.	Funding 5¼pc '78-80	90½	10.5	5.87	6.89
15F.	15A.	Treasury 3½pc '79-81	79	9.7	4.44	6.54
15J.	15J.	Do. 8½pc '80-82	104¾	8.6	8.20	7.90
15J.	15J.	Funding 5½pc '82-84	85 3/8	8.6	6.49	7.43
10J.	10J.	Treasury 8¾pc '84-86	102¾	6.6	8.38	8.31
Over Fifteen Years						
1M.	1N.	Funding 6½pc '85-87	67 5/8	25.5	7.61	8.17
1J.	1J.	Transport 3pc '78-88	58	25.5	5.21	7.49
15A.	15O.	Treasury 5pc '86-89	71½	9.8	7.19	8.27
—		Treasury 8¼pc '87-90 ●	96	—	8.59	8.68
5A.	5O.	Funding 5¾pc '87-91	73¾ xd	1.8	7.72	8.44
15M.	15S.	Funding 6pc 1993	73¾ xd	6.8	8.11	8.67
17M.	17N.	Treasury 9pc 1994	101¾	13.4	9.10	9.10
1N.	1S.	Gas 3pc '90-95	50	25.3	6.12	7.73
15M.	15S.	Treas. 9pc '92-6	[illegible]81½	6.8	9.14	9.17
1A.	1O.	Redp 3pc '86-96	[illegible] xd	25.8	6.12	7.58
1M.	1S.	Treasury 8¾pc 1997	96 5/8	26.7	9.08	9.12
—	—	Treas. 8¾pc 1997 "A"	97¼	—	9.12	9.15
1M.	1N.	Treasury 6¾pc '95-98	80 1/8	25.5	8.68	8.95
14J.	14J.	Funding 5½pc '99-04	[illegible]7	7.6	7.52	8.24
10M.	10S.	Treasury 5½pc '08-12	65 5/8 xd	4.8	9.63	8.79
Undated						
F.1	1A.	Consols 4pc	44 3/8	26.6	9.09	—
1J.	1D.	War Loan 3½pc	40	26.4	8.96	—
1A.	1O.	Conv. 3½pc '61 Aft.	39 xd	25.8	8.92	—
5A.	5O.	Treasury 3pc '66 Aft.	32½ xd	1.8	9.16	—
5J.A.	J.O.	Consols 2½pc	27½ xd	1.6	9.02	—
1A.	1O.	Treasury 2½pc	27½ xd	25.8	9.03	—

● "Tap" Stocks

INTERNATIONAL BANK

Interest Due		Stock	Closing Price	When last xd	Interest	Redemption
15A.	15O.	5½pc Stock '69-74	93¾	19.5	3.75	5.72
15F.	15A.	5pc Stock '77-82	77½	16.7	6.48	8.20

CORPORATION LOANS

Interest Due		Stock	Closing Price	When last xd	Interest	Redemption
4M.	4N.	Belfast 6pc '73-75	90¼	1.4	6.66	9.20
1F.	1A.	Bristol 6½pc '76-77	94¾ xd	16.7	6.91	7.87
30J.	31D.	Essex 5½pc '75-77	90½	1.8	6.14	7.79
11F.	11A.	G.L.C. 6¾pc 1976	96¾	12.7	6.98	7.55
15A.	15F.	Do. 7¼pc 1977	98½ xd	16.7	7.39	7.67
22M.	22N.	Herts 5½pc '78-80	83 [illegible]	22.4	6.59	8.17
21M.	15S.	Liv'pool 5½pc '71-73	93¾	16.8	5.86	7.33

COMMONWEALTH AND AFRICAN LOANS

PUBLIC BOARD AND OTHER LOANS

Corporation Short-dated Bonds

FOREIGN BONDS & RAILS

London U.S. Dollar and DM Issues

AMERICANS

CANADIANS

S.E. List Premium

BANKS AND HIRE PURCHASE

†† Banks, etc.

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER & ROADS

BUILDING INDUSTRY—Continued

CHEMICALS, PLASTICS, ETC.

CINEMAS, THEATRES AND TV

DRAPERY AND STORES

DRAPERY AND STORES—Continued

ELECTRICAL AND RADIO

ENGINEERING AND METAL

ENGINEERING AND METAL—General—Cont'd

FOOD, GROCERIES, ETC.

HOTELS AND CATERERS

HOTELS AND CATERERS—Continued

INDUSTRIALS (Miscell.)

"Recent Issues" and "Rights"

INDUSTRIALS (Misc.)—Continued

INSURANCE

MACHINE TOOLS

MOTOR, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Aircraft

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING, ADVERTISING

PROPERTY

PROPERTY—Continued

SHIPBUILDERS, REPAIRERS

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

STEELS

TEXTILES—GENERAL

TEXTILES—WOOL

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

TRUSTS, FINANCE, LAND—Continued

Finance, Land, etc.

UTILITIES

OILS

RUBBERS—MALAYSIAN

RUBBERS—MISCELLANEOUS

SISAL

TEAS

India and Pakistan

TEAS—Continued

India and Pakistan (cont.)

Dividends Usually Paid	Stock	Closing Price pence	When last xd	Div. % or amount	Times covered	Gross Yield %
—	Scottish Assam (£1)	98	6'63	—	—	—
Mar. Oct.	Singlo (10p)	5¼	6'68	—	—	—
May Nov.	South'n India (£1)	56	2.11	2½	U1.5	6.9
Sept. Mar.	Travancore (£1)	180	9.8	20	1.2	11.1
September	Warren Tea (£1)	54	7'70	6	2.3	11.1
August	WestDooars (£1)	58	7'70	2	—	3.4
Mar. Sept.	Williamson (£1)	67xd	23.8	8	ϕ	11.9

Ceylon—

Dividends Usually Paid	Stock	Closing Price pence	When last xd	Div. % or amount	Times covered	Gross Yield %
Mar. Dec.	Bogowantalawa £1	60	18.11	10	1.0	16.7
April	Central Prov.	8½	19.4	5	U1.8	14.7
Apr. Aug.	Ceylon Plants (£1)	153	12.7	20	1.0	13.1
April	Dessalera	38	5'68	—	—	—
October	Dimbula Valley £1	40	5.10	3	2.3	7.5
May Sept.	Galaha (20p)	6	25.1	4	U1.5	13.5
November	Gen. Ceylon (10p)	3½	13.10	2	U1.8	3.0
—	HalcyonIns(10p)	20	—	4	—	2.0
May	Lanka (£1)	51	18.4	5	1.2	9.8
May	Lunuva (£1)	48	28.6	3	1.3	6.2
July	Nuwara Eliya (£1)	26	5.10	2½	9.8	9.6
September	Ouvah High £1	40xd	23.8	3½	1.2	8.7
Oct. Apr.	Pelmadulla £1	116xd	23.8	18	1.2	15.5
July	Rajawella Bdg.50p	11	3'70	B—	—	—
April	Rosehaugh	11	16.2	5	0.4	11.5
—	Scot. Ceylon	4	2'66	—	—	—
April	Scot. Tea & Lds £1	16½	3'70	2½	ϕ	16.4
August	Standard £1	53	26.7	5	1.3	9.4
—	Tea Corporation	3¾	10'65	—	—	—

MINES—CENTRAL RAND

Dividends Usually Paid	Stock	Closing Price pence	When last xd	Div. % or amount	Times covered	Gross Yield %
Aug. Feb.	Durban Deep (R1)	78	28.6	14c	2.0	‡
Aug. Feb.	East Rand Prp.(R1)	78	28.6	4c	9.4	‡
August	Leopards VL (10p)	26	28.6	2c	ϕ	4.5
—	Rand Leases (3½c.)	11	6'58	—	—	—
Aug. Feb.	RandF'nt'n Est.(R2	75	24.12	4c	1.5	‡
December	RobinsonDeep(2½c)	50	12'66	4½c	1.2	‡
—	Simmer (2c)	22	1'58	—	—	—
Aug. Feb.	West Rand (R1)	32	28.6	10c	2.5	18.2

EASTERN RAND

Dividends Usually Paid	Stock	Closing Price pence	When last xd	Div. % or amount	Times covered	Gross Yield %
Mar. Sept.	Bracken (R1)	45	22.5	18c	0.9	‡
Aug. Feb.	Daggafontein (50c)	8	24.12	—	—	—
Aug. Dec.	East Dagg (R1)	27	28.6	†11c	1.0	23.8
June Dec.	East Geduld (24c)	11	28.5	14c	—	74.2
Aug. Feb.	G'vnm't Areas (2½)	11	28.6	20c	1.0	‡
June Dec.	Grootvlei (35c)	17	28.6	†4.5c	2.2	15.4
Mar. Sept.	Kinross (R1)	82	22.5	14c	1.9	‡
Mar. Sept.	Leslie (R1)	31	22.5	14c	0.8	‡
June Dec.	Marievale (R1)	58	28.6	25.5c	1.0	‡
June Dec.	S. African Ld. (35c)	77	28.6	†35c	0.7	26.5
Aug. Feb.	Sub Nigel (24c)	57	28.6	22c	ϕ	22.5
Aug. Dec.	Vlakfontein (R1)	38	28.6	20c	1.0	30.7
Mar. Sept.	Winkelhaak (R1)	166	22.5	11c	1.7	4.1
August	Wit Nigel (25c)	4½	7'70	—	—	—

FAR WEST RAND

Dividends Usually Paid	Stock	Closing Price pence	When last xd	Div. % or amount	Times covered	Gross Yield %
Feb. Aug.	Blyvoor (25c)	130	28.6	24c	ϕ	10.8
Dec. Aug.	Buffels(R1)	175	28.6	18c	ϕ	6.0
Dec. Aug.	Doornfontein (R1)	158	28.6	21c	ϕ	7.7
— —	East Drie. (R1)	166	—	—	—	—
— —	Do. Comb. Units	150	—	—	—	—
—	Elsburg(R1)	57	—	—	—	—
Feb. Aug.	Hartebeest (R1)	185	28.6	8c	ϕ	2.5
Feb. Aug.	Kloof Gold (R1)	240	28.6	9c	ϕ	1.9
Feb. Aug.	Do. Comb. Units	230	28.6	8c	ϕ	2.0
Feb. Aug.	Libanon (R1)	160	28.6	57c	ϕ	13.6
Aug. Feb.	Stilfontein (50c)	55	28.6	5c	2.2	8.3
Aug. Dec.	Vaal Reefs (50c)	505	28.6	50c	2.5	5.8
Feb. Aug.	Venterpost (R1)	62	28.6	25c	ϕ	28.0
Feb. Aug.	W. Drie (R1)	875	28.6	108c	ϕ	7.2
Aug. Mar.	WRIT (R1)	740	28.6	47½	1.4	3.7
Dec. Aug.	West Wit. (25c)	750	28.6	45c	ϕ	3.5
Feb. Aug.	Western Areas(R1)	72	28.6	6c	2.9	4.9
Aug. Dec.	Western Deep (R2)	380	28.6	65c	1.6	9.9
Aug. Dec.	Western Reef (50c)	247	28.6	25c	2.8	5.8
—	Zandpan (R1)	29	—	—	—	—

O.F.S.

Dividends Usually Paid	Stock	Closing Price pence	When last xd	Div. % or amount	Times covered	Gross Yield %
— —	Free State Dev. 50c	45	—	2c	6.5	3.7
May Nov.	F. S. Geduld (50c)	560	2.4	145c	1.2	‡
Mar. Sept.	Harmony (50c)	67	19.4	15	ϕ	13.9
— —	Loraine (R1)	24	9'67	—	—	—
Aug. Mar.	OFSIT (R1)	580	28.6	77½	1.4	7.8
May Nov.	Pres. Brand (50c)	470	2.4	115c	1.2	‡
May Nov.	Pres. Steyn (50c)	214	2.4	15c	5.3	4.1
Mar. Sept.	St. Helena (R1)	503	22.3	70c	1.1	‡
Feb. Aug.	Virginia (50c)	[illegible]0	28.6	[illegible]	1.4	17.5
May Nov.	Welkom (50c)	82	2.4	18½c	1.5	13.2
May Nov.	W. Holding (50c)	535	2.4	160c	1.2	11.2

FINANCE

Dividends Usually Paid	Stock	Closing Price pence	When last xd	Div. % or amount	Times covered	Gross Yield %
Sept. Mar.	Ang-Amer (10c)	314	2.4	16c	1.9	3.0
Feb. Aug.	Ang-Vaal (50c)	710	28.6	55c	ϕ	4.5
Dec. July	Charter Con.	227	14.6	32	1.8	3.5
May Nov.	Cons. Gold Fields	222	2.4	29.2	2.1	3.3
Feb. Aug.	Corner House (R2)	125	28.6	11c	3.6	5.1
Mar. Oct.	East Rand Con.10p	28xd	23.8	12.	U1.3	5.7
Sept. Apr.	Geduld Inv. (R1)	185	9.8	19½c	1.9	6.1
Dec. May	Gen. Mining (R2)	920	12.4	80c	1.8	5.1
Jan. Aug.	Joburg Cons (R2)	£13¾	28.6	85c	ϕ	3.6
Oct. April	Lonrho	78	25.1	26	2.1	8.5
Nov. May	Middle Wit (25c)	168	14.6	9c	2.2	2.8
Aug. Dec.	New Wit. (50c)	68	28.6	8c	1.5	6.9
Jan. Aug.	Rand Selection(50c	570	28.6	42½c	1.5	4.3
July Jan.	Selection Trust	685	14.6	72	1.5	2.6
Mar. Aug.	Sentrust (10c)	67	28.6	11c	1.2	9.6
May Nov.	S. W. Africa (20p)	125	19.4	150	1.1	8.0
May Sept.	U. C. Invest (R1)	128	9.8	12c	1.2	5.5
[illegible]	Union Corp. (6.25c)	163	19.4	12c	2.1	4.3
Sept. Feb.	Vereeniging (R2)	£10¾	9.8	55	1.1	6.0
Aug. Dec.	Vogels (2½c)	42	28.6	5c	1.0	5.9

DIAMOND

Dividends Usually Paid	Stock	Closing Price pence	When last xd	Div. % or amount	Times covered	Gross Yield %
Feb. Aug.	Anglo Am. Inv.50c	117	2.4	145c	1.0	5.0
Aug. Feb.	CAST	198	22.3	40	2.8	‡
May Nov	DeBeers Df. (5c)	215	2.4	14c	1.5	3.8
Jan. Aug.	Do. 40pc Pf. (R5)	£13¼	14.6	40	48.0	8.8

PLATINUM

Dividends Usually Paid	Stock	Closing Price pence	When last xd	Div. % or amount	Times covered	Gross Yield %
May	Lydenburg (12½c)	76	2.4	9.9c	1.1	7.6
Sept. May	Pot. Plat. (2½c)	150	2.4	15.4c	1.0	6.0
Dec. May	Union Plat. (10c)	110	2.4	14.8c	1.0	7.8
Sept. Mar.	Waterval (5c)	125	2.4	15.7c	1.0	7.4

CENTRAL AFRICAN

Dividends Usually Paid	Stock	Closing Price pence	When last xd	Div. % or amount	Times covered	Gross Yield %
Aug. Feb.	Coronation (25c)	71	4'69	—	—	—
May Nov.	Falcon	40	22.5	115	1.6	‡
June Feb.	Globe Phoenix (2½p	68	2'66	—	—	—
March	Rhod-Corp. 16⅔p	17½	25.1	5	2.0	4.8
F.JeAg.N.	Roan Cons. (K4)	280	28.5	28.8	—	22.3
Jan. June	Tanganyika (50p)	185	28.6	25	1.2	6.7
Feb. July	Do. Pref. (80p)	82	14.6	9	16.4	8.8
May Nov.	Wankie Coll.(SR.1)	121	2.4	19.6	ϕ	9.4
Mar. Nov.	Zam.Ang. SBD1.40	233	15.2	40p	ϕ	17.9
—	Zam. Cpr. SBD0.24	43	8.3	10	—	23.3
Aug. Jan.	Zambesia Cons.00p	85	28.6	8.5	ϕ	4.9

AUSTRALIANS

Dividends Usually Paid	Stock	Closing Price pence	When last xd	Div. % or amount	Times covered	Gross Yield %
—	Acmex (25c)	7	—	—	—	—
— —	AcminExpln (25c)	4	—	—	—	—
— —	AllianceOil(50c)	13½	—	—	—	—
— —	Alliance Pet(50c)	10	—	—	—	—
—	AllstateEx. (P/Pd)	9	—	—	—	—
—	Apollo (P/Pd)	3	—	—	—	—
—	Aust. Wide (20c)	4	—	—	—	—
—	Do. Opts	1	—	—	—	—
May Nov.	B. H. South(50c)	148	2.4	14c	1.7	‡
— —	B.Coast Mins (10c)	2	—	—	—	—
—	Eastmet Mins (20c)	12	—	—	—	—
—	Genoa (P/Pd)	4½	—	—	—	—
— —	GoldC'pp'rEx (15c)	4	—	—	—	—
—	Gold&Min. Ex.(10c	8	—	—	—	—
—	Gold M. Kalg (S1)	17	8'67	—	—	—
—	Gt.Boulder (10c)	75	10'65	—	—	—
— —	Greenvale (20c)	1½	—	—	—	—
— —	Hampton Areas 5p	108	—	—	—	—
—	Hampton Props 5p	30	—	—	—	—
—	Hartog Oil (P/Pd)	2¼	—	—	—	—
— —	Kambalda M. (10c)	2½	—	—	—	—
— —	Laverton Nk (P/Pd	6	—	—	—	—
— —	Leo'ra NKL P/Pd	2	—	—	—	—
— —	Leopold (50c)	8½	—	—	—	—
— —	Magnum Ex.(P/Pd	8	—	—	—	—
—	Mallina Mg. (50c)	22	—	—	—	—
—	Metals Ex. (50c)	220	—	—	—	—
— —	Metramar (20c)	27½	—	—	—	—
— —	Mid East Min P/Pd	10	—	—	—	—
— —	Minefield Ex. (P'd)	6	—	—	—	—
— —	Mining Finance$1	18	—	—	—	—
Jan. Dec.	M.I.M. Hlds. (50c)	143	2.4	8c	ϕ	2.6
Apr. Sept.	M. Lyell (25c)	62	4.8	10c	ϕ	7.8
May Nov.	New Broken Hill	435	8.5	60	—	‡
—	Newmetal (10c)	7	—	—	—	—
Jan. Nov.	North B. Hill ($1)	72	18.4	7.5	1.5	4.7
—	North Kalg (30c)	30	11'66	—	—	—
— —	Nthn Mng. (P/Pd)	17	—	—	—	—
—	Olympus Pet (P/pd	1½	—	—	—	—
— —	Pacific Cpr. (25c)	83	—	—	—	—
—	Pancont'l 25c.	57	—	—	—	—
—	Paringa M.& Ex.5p	7	—	—	—	—
Apr. Oct.	Peko-Wallsend(50c	410	—	15c	ϕ	1.7
—	Poseidon (20c)	950	—	—	—	—
— —	Queensland (50c)	950	—	—	—	—
— —	Samantha (25c)	7	—	—	—	—
— —	Slemin (10c)	5¼	—	—	—	—
— —	Sedimentary Units	4	—	—	—	—
—	Target Pet. (P/Pd)	3	—	—	—	—
—	Vultan Min. (60c)	25	—	—	—	—
— —	Westmex (10c)	13	—	—	—	—
Mar. Aug.	W. Mining (50c)	150	28.6	12	ϕ	1.9
— —	Whim Creek (20c)	216	—	—	—	—

TIN—EASTERN

Dividends Usually Paid	Stock	Closing Price pence	When last xd	Div. % or amount	Times covered	Gross Yield %
Mar. Sept.	Ayer Hitam	82	8.5	a60	U1.3	‡
Jan. July	Berjuntai $M2.5	208	28.6	80.4	ϕ	13.1
May Oct.	Gopeng Cons.	170	6.5	72½	1.0	10.7
Dec. June	Hongkong	75	11'67	—	—	—
Sept. Mar.	Idris (10p)	36	25.1	31½	1.1	8.9
Mar. Dec.	Kamunting 15p	39	14.2	58.3	1.0	22.4
—	Killinghall	95	6'67	—	—	—
June Dec.	Malay Dredging	145	3.5	†45	1.1	7.8
June Dec.	Pahang	58	18.4	†23.3	1.2	‡
JneDecMy	Pengkalen (10p)	55	5.5	87½	U1.1	25.0
Apr. Sept.	Petaling ($M1)	58	16.2	5	—	1.2
Mar. Nov.	South Kinta (10p)	84	8.5	93½	0.9	11.2
June Dec.	Sthn. Malayan	65	5.5	50	1.0	14.7
May	Sungei Besi (20p)	47	5'68	—	—	—
November	Sungei Way ($M1)	13	9'70	10	1.5	9.1
Jy.Feb.Se.	Tanjong (15p)	28	28.5	†37½	0.8	20.1
June Dec.	Tongkah Harb M$1	35	30.11	†12½	0.5	‡
Sept. Apr.	Tronoh	56	8.5	15	U1.4	6.7

TIN—NIGERIAN

Dividends Usually Paid	Stock	Closing Price pence	When last xd	Div. % or amount	Times covered	Gross Yield %
Mar. Nov.	Amalgamated	16	28.5	5	—	7.8
Oct. May	Ex Lands (10p)	6	2'68	—	—	—
Nov. May	Gold & Base (12½p)	4½	2'68	—	—	—
March	Jantar (12½p)	5½	4'67	—	—	—

TIN—MISCELLANEOUS

Dividends Usually Paid	Stock	Closing Price pence	When last xd	Div. % or amount	Times covered	Gross Yield %
Apr. Oct.	Beralt Tin	170	5.5	84	2.0	‡
Nov. May	Fabulosa (US$1)	4½	5'68	—	—	—
Apr. Oct.	Geevor	190	22.3	60	ϕ	8.1
Dec. Mar.	London Tin (20p)	109	8.3	42½	1.1	7.8
Dec. July	St. Piran	55	28.5	20	1.4	9.1

COPPER

Dividends Usually Paid	Stock	Closing Price pence	When last xd	Div. % or amount	Times covered	Gross Yield %
Mar. Dec.	Esperanza (12½p)	83	22.5	40	1.9	6.0
July	Indian (10p)	11	5.5	11.1	3.0	10.1
June Jan.	Messina (Ro. 50)	255	17.5	190	2.0	‡

MISCELLANEOUS

Dividends Usually Paid	Stock	Closing Price pence	When last xd	Div. % or amount	Times covered	Gross Yield %
—	Burma Mine (17½p)	6	4'61	—	—	—
Apr. Oct.	Cent.Prov Mn(12½p	23	8.3	a10	ϕ	9.2
—	Charterhall (5p)	15	5'67	—	—	—
Aug. Feb.	Cons. Murch (10c)	285	28.6	80c	2.1	‡
Sept. Mar.	G. F. Mg. Ind. Dl.	£79	22.3	7	38.0	10.5
July Dec.	Northgate (C$1)	380	28.6	50c	2.2	6.5
June Dec.	R.T.Z.	220	19.4	24	1.8	2.7
—	Sabina Mines (C$1)	220c	—	—	—	—

For Notes see Page 33

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THE LEX COLUMN

The charms of the part convertibles

The notion of fixed-interest-with-equity-kicker finance has come a long way toward achieving *respectability among* U.K. investors. Since the first generation of loan stocks with subscription rights—exemplified by the early issues of *Slater Walker and Hanson* Trust—initial suspicion has moved to such hearty acceptance that we now see the financial columns warning investors of the dangers of current warrant valuation methods.

Double attractions

This is fair, for come a bearish market we can expect to-day's valuations to look pretty academic. But there is still one area where equity options are to be found with no fancy premiums attached. For one reason or another the partly convertibles or stocks with subscription rights still *attached tend* to be valued in the market at rather less (if anything) than the sum of the parts. The part convertible is *an instrument* which has been *particularly favoured* by *some* demonstrably aggressive companies (Barclays Securities, Drakes, Sterling), and it seems likely that its merits are not fully understood by the investor.

The ideal application for the part convertible is evidently in a high risk, high reward situation (or one that is so judged by investors). When originally issued, these stocks will have strong defensive qualities in an inevitably high coupon: the best recent example would be Cavenham's 10 per center, now standing in the market at about 106, and 50 per cent. convertible, £1 of stock for one share. *With obvious provisos*, the downside in present fixed interest market conditions would be limited to about 15 per cent. if the equity slumped down *from its present price of* 103p.

This much should be fairly clear, and in the case of Cavenham it must be assumed that the market does not hold the group's growth prospects very high. That was also, perhaps, true at the time for the original SWS *subscription stocks*, but back in 1967 the market was also overlooking a special aspect of growth in the case of part convertibles: that is the way the equity content grows in percentage of the market value of the loan stock if the share price rises—a sort of reverse gearing.

The original SWS 8¼ per cent. Loan with rights into 60 SWS *shares* at 16s may have looked a poor bet beside the equity. But a negligible downside at par did not prevent the stock being worth 300 per cent. on a *quintupling of the equity*, the more the share rose, the faster the rate of growth of the Loan stock value. The appeal of the partly convertible will be all the greater to those who feel that the long post-war uptrend in interest rates is over, for in that case the coupon would provide a downside floor that was actually rising. In conclusion, one can see fashion waxing and waning for warrants while the demand for part convertibles *endures—in the right risk/* reward context.

SWIT

A couple of months back, this column made three main points about floppy investment trust flotations: first, buying new investment trusts at a premium (effectively, after initial costs) hardly ever makes sense with existing funds at a discount; secondly, that it is no use trying to disguise this with a gimmicked-up capital structure *—Thanet's subsequent*, and success float used warrants to beat the problem, not to hide it; and finally, taking a line through the success of Rothschild Investment Trust, that an unconventional approach to investment management, rather than capital structure, might be the answer to the problem of getting a new fund off the ground.

Slater Walker's answer to the conundrum, in the form of the new £22m. Slater Walker Investment *Trust, is pretty straight*forward. It accepts the premium argument, but reckons that it rates a premium anyway. This is nothing to do with capital structure: £12¼m. in straight equity and £10m. in an 8¼ per cent. partly convertible give it an effective debt/equity ratio of 2:7, useful but not dramatic. However the investment policy, asset situations, is what SWS was weaned on and what, in the unit trust field, has put the SW Assets Trust high in the performance charts.

On the face of it, there seems to be a conflict of interests between SWIT, SWAT and SWS itself. However, SWAT's size, and unit trust status limits it to *investing £200,000, or a little* more in one situation while SWIT can plunge in with up to 15 per cent. of its portfolio, or £3m. plus. The tendency for the trusts, therefore, might be for one to concentrate on small situations and the other on large ones.

This, in theory, would allow SWS itself to avoid tying up its own money for a year or more—SW's asset situations, apparently, often take that *length of time* to mature—while the longer-term approach might suit an investment trust with a privileged tax status to preserve. An effective SWIT, too, would be a good shop-window for the image-conscious SWS: effectively, it would have a corporation geared to increasing its intrinsic worth per share each year; and unlike similar situations like Drakes or Sterling Guarantee, tax paid by SWIT can be franked to the holder as an offset to his own gains-tax bill.

It is not, apparently, SWIT's present intention to grow in size by equity issue, as RIT has done: this can only be a bull point for long term performance. But it raises an important conceptual point; whereas there is no apparent price earnings ratio to which Tesco or IBM cannot rise on *public enthusiasm, there* is a logical limit to the price performance of a pure asset situation, namely real net worth. This may be a worry now for three reasons. First, we are clearly not now at the bottom of the market—with the all-share index close to all-time high ground. Second, the asset game has been right in retrospect but is now in a mature stage: supply is already limited to hidden asset situations and here *is another* £22m. being added to demand. Third, it is apparent that there is little scope for "funny money" performance with SWIT. None of this means an initial premium is unlikely.

Lombard

Bulldog Nixon sits tight

BY JOE ROGALY

IF MATTERS go on like this the Group of Ten will soon be slipping down from the top of the charts. Its concert in Paris at the week-end was a disaster. There was a certain pretence among nine of them that they were singing the same tune and that only Paul Volcker, the American heavy, was failing to match the "vibes" the *folks wanted; this was in fact false*, for the French player still thinks the German is floating *way out among the stars* and no good sound is likely to be forthcoming—*certainly not* "I wanna hold your hand"—from the two of them together for some time yet.

Complaints

There is undoubtedly a certain entertainment value in the antics *of the world monetary specialists* these days. Most of them have in their time experienced a moment during which their Governments have behaved, or wanted to behave, intransigently; all of them complain loudly whenever anyone else succumbs to the temptation.

The French practically invented *intransigence; the Germans* floated the D-Mark against the will of the French (among others); the Japanese declined to revalue the yen until forced to *do so; Britain put on its* import surcharge when it felt it had to. Yet the whole of them are suddenly squealing as loudly as they can now that the Americans are going through their own phase of doing their thing.

Of course the proper and serious comment to make in these troubled circumstances is that the United States is being irresponsible and destructive; that President Nixon's administration really must make up its mind about what it wants to extract *in the way of concessions* from the rest of the world and then tell everyone so that negotiations towards an international compromise can proceed through the intricate *and well-known* quadrilles performed so regularly at meetings of financial officials who have known one another for years and in fact *have no surprises* in store for anyone.

Retaliation

One should then proceed to point out, with all due solemnity, that unless something like this is done the present dangerous *period of drift towards* a new economic nationalism will develop into something even worse. Retaliation against the surcharge will come to seem *more tempting*; trade barriers will be erected everywhere, and the Western world will be faced with a new threat. At the moment, one might add, the Europeans and even the Japanese are behaving with a certain dignified and far-sighted restraint (while pointing out the favourable arguments that support a small increase in the price of gold); in due *course* domestic political pressures might force a tougher attitude upon these various Governments.

The reply the Americans can and do give to this kind of reasoning (a kind heard at great length and very often on this side of the Atlantic) is "Baloney." This may not be correct from the point of view of long-run world interests, or even from the point of view of those free-market economists who know in their hearts that they are right, but it certainly is correct from the point of view of the present state of American politics and American national feeling.

Grieved

It is by now apparent to practically everyone that the Americans are grieved at what they feel to be the unfair trade and monetary policies of the rest of the world. What is perhaps slightly less apparent is that they have not only felt this for 10 years and more now; they also believe, emotionally (and therefore most strongly) that in any economic free-for-all it is the others and not themselves who will get the most hurt. They do not depend greatly upon international trade, or at least they do not believe that they do, and in times of stress, when *feeling and not rationality* is the spur to action, the President who is toughest on foreigners is the one who is likely to be most popular at home.

For this reason if for no other the most likely response to outsiders' initiatives that go much less than all the way towards meeting what Americans consider *to be their needs is a con*tinued, neo-Gaullist "No" from Mr. Nixon and his officials. This ... attitude can cease to be ... entertaining in a ... even so, it is ... and it is

Party gulf widens on eve of Chequers talks

BY RICHARD EVANS, LOBBY CORRESPONDENT

ON THE EVE of to-day's talks at Chequers between the Prime Minister and Mr. Jack Lynch, *Prime Minister of the Irish* Republic there were increasing signs of a widening gulf between the Government and the Labour Party over Northern Ireland.

The accusation by Mr. Wilson that the British Government was giving a growing appearance of abandoning neutrality in Northern Ireland was strongly rejected by Home Secretary Mr. Reginald Maudling, as mischievous and untrue.

Minority opinion

In his statement Mr. Wilson did not offer a solution of his own to the Ulster crisis but promised Labour Party proposals after the Heath-Lynch talks. In particular, the Opposition is hoping that the talks will produce some evidence that the Government is preparing a political initiative to solve the Ulster problem, but the signs in Whitehall yesterday did not give much support to this.

The meeting is intended to promote a clearer understanding of British Government policy and to reassure *Mr. Lynch about* long-term objectives in Ulster, including greater involvement of minority opinion in the Stormont Administration and *the entrenchment of reforms.*

Equally, Mr. Heath will be seeking a detailed assessment of the Irish Government's attitude, particularly towards the contain*ment of terrorism in Northern* Ireland and in the border areas.

It remains the British Government's policy to counter and defeat the violence of the *IRA before launching a political* initiative which must inevitably involve both the Irish and the Northern Ireland Government.

For this reason no spectacular results are expected from the Chequers talks although it is *hoped they* will mark the beginning of a new and more understanding phase in the relationship between London and Dublin.

Mr. Heath, it is claimed, is willing to discuss any proposal put by Mr. Lynch provided it does not affect the territorial integrity of Northern Ireland, but the suggestion that U.N. troops should patrol the Ulster border was greeted very coolly indeed yesterday and is unlikely to receive any support from the British Government.

Mr. Heath summoned Mr. Maudling, Sir Alec Douglas-Home, Foreign and Commonwealth Secretary, and Lord Balniel, Minister of State, Defence, to Chequers last night for a discussion prior to the Lynch meeting.

Mr. Lynch will arrive at London Airport-Heathrow at 9.00 this morning and drive straight to Chequers. He will spend tonight in London at the Irish Embassy but could return to Chequers to-morrow if it is thought worthwhile to continue the talks. Apart from Northern Ireland, there is expected to be brief discussions on Common Market entry and other topics of mutual interest.

Mr. Wilson's call for a new political initiative came in a Labour Party statement on Saturday in which he was highly critical of the Prime Minister's refusal to recall Parliament.

He said that one element in a gravely-deteriorating situation was the growing appearance of the British Government depart*ing from its position of neut*rality and accepting a state of alliance with a single Ulster faction.

The resulting alienation of moderate elements left those who could exercise restraint in a position where they had nowhere to turn, he argued.

"Let us all be clear. There is no future in withdrawal and the abandonment of Northern Ireland to the rule of force and unrestricted gun rule. Equally none of us sees the imposition of direct rule from Westminster as anything but a policy of last resort, but what is immediate and must be realised is this.

"There is no future in a policy based on the repression of violence alone unless that is accompanied by an active or intensified search *for a political* solution. The present Government's policies in Northern Ireland are set on a dead-end."

Speaking on BBC radio yesterday Mr. Maudling said Mr. Wilson's statement was "very unwise and very irresponsible."

Situation worse

He claimed that Mr. Wilson knew how serious the situation was and realised that policies initiated by the Conservatives were very similar to those introduced under Labour. "This is not a situation where one should stir up a party political conflict in this country," he added.

The Conservative Government was supporting Mr. Brian Faulkner, the Ulster Premier, because he headed a democratically elected Government which was *carrying out the right* policies for Northern Ireland.

Mr. Maudling accepted that the situation in Ulster was worse than a few months ago but he felt this was "the darkness before the beginnings of a dawn."

Editorial Comment Page 12

IRA bid to destroy credibility

BY ROY HODSON

BELFAST, Sept. 5.

THE IRA is convinced that by maintaining the new level of indiscriminate savagery against troops and civilians, it can quickly destroy the credibility of the present form of government in Northern Ireland.

Although no further deaths have been reported in the last 24 hours, *at least 20 civilians including* several children have been injured in 16 bomb blasts and the Army cannot keep count of the number of times troops have *been shot at.*

"Keep away"

In scattered street fighting incidents, the Army has been attacked with stones, bottles and nail bombs and has retaliated with rubber bullets and CS gas.

Whereas incidents used to be confined, in the main, to Belfast, Londonderry and the border areas, the IRA is now choosing targets to prove that it can operate anywhere in the province. This policy is linked to *its warning to civilians to keep away from Army and Govern*ment buildings.

For instance, a big unexploded gelignite bomb was found to *have been assembled near the* NAAFI inside the Holywood Army camp and the sequence of explosions which rocked the Protestant village of Dundonald *late on Friday night was within* a short distance of the headquarters of the Royal Ulster Constabulary.

Neither Stormont and the security forces, nor the general public, show signs of cracking under these appalling pressures. The IRA cannot claim that since the new campaign of bloodshed started it has made any tangible progress towards its aim of abolishing the border. Rather, the violence has backfired upon the IRA's objectives in certain ways.

The Ulster Unionist Party's headquarters was shattered by a bomb last week. But the party is looking completely united behind its leader, Mr. Brian Faulkner, in face of the pressures.

Stormont, while feeling militarily vulnerable, is feeling politically secure. On the matter of Mr. Jack Lynch's new suggestion for a United Nations border patrol, Mr. Faulkner feels that he can reasonably advise, before to-morrow's talks between Mr. Heath and Mr. Lynch, that *such patrols would be neither* necessary nor effective.

He is expected to advise Mr. Heath that the job of policing the border can only be done *effectively by the British* Security Forces on one side and Mr. Lynch's army actively co-operating on the other side.

While Stormont is still breathing easily, a large-scale Protestant backlash against the IRA is not expected. The militants accept that their fire power (although it totals 100,000 guns at least) could be used only for a limited effort. They have no wish to be the third force in a disastrous three-sided campaign with the Army and the IRA.

Instead they are saving them*selves to act in the defence of* Stormont if that institution appears to be politically threatened.

In the present circumstances, Mr. Wilson's call this week-end for new initiatives is out of tune with the mood of the Protestant majority and many Catholics and non-committed people as well.

Mr. Roy Bradford, Minister of Development, said that Mr. Wilson's statement was "a disreputable attempt to exploit the present tragic situation for the political ends of the Labour *Party.*"

Lynch hopes for new initiative

BY DOMINICK J. COYLE

DUBLIN, Sept. 5.

WIDESPREAD public optimism here about the outcome of to-morrow's Anglo-Irish talks at Chequers is not shared by the Irish Government itself. Indeed, Mr. Lynch, the Prime Minister, will be content with a private declaration by Mr. Heath that Britain is considering seriously a new political initiative over Northern Ireland.

The Chequers meeting has been inadequately prepared for *at official level to allow for* any immediate measure of agreement between the two Prime Ministers on any new political order for Northern Ireland in which the minority there could have effective representation

On the other hand, Mr. Lynch's own position domestically requires that some tangible *benefit* is seen to result from the London talks.

Officials here consider that to-morrow's talks could have any one of three results:

1. Mr. Heath could insist on a continuation of military methods in an attempt to pacify the situation and seek to put pressure on Mr. Lynch to tighten security on his side of the boarder. Dublin will certainly reject this approach.

Clear preference

2. Mr. Heath could tell Mr. Lynch that the U.K. Government is now determined to seek a political solution (while continuing, for the time being at least, with tough security measures, including internment) and that this will require a whole series of discussions involving London, Dublin, the two Northern communities, the present Stormont Government and the Stormont Opposition.

3. Britain could acknowledge that law and order has already broken down in Northern Ireland and move immediately to suspend Stormont and institute direct rule. There would then be new elections to be held under a system of proportional representation.

The clear preference here is for the second choice, even though it is accepted that this would be interpreted by Right wing extremists in Northern Ireland as "the beginning of the end." Mr. Lynch might then be persuaded to stand up to his own extremists.

The Government to-day announced that the Army and police had been ordered to examine immediately methods of increasing security, following an incident in which eight masked men disarmed four auxiliary soldiers on guard duty at a television transmitter.

EEC—Jack Jones hits at Lord George-Brown

BY JOHN ELLIOTT, LABOUR EDITOR

BLACKPOOL, Sept. 5.

AN OUTSPOKEN attack on Lord George-Brown, former Deputy Leader of the Labour Party, was launched here to-night by Mr. Jack Jones, general secretary of the Transport and General Workers' Union. Mr. Jones described Lord George-Brown as "an expert in disloyalty" to the TGWU and to its democratic decisions.

This was because Lord George-Brown, a TGWU member, was supporting entry to the Common Market despite the fact that the union's annual conference at Scarborough overwhelmingly voted against Britain's entry less than two months ago.

Lord George-Brown has fallen foul of the TGWU because of his forceful remarks, which have often gone against the union's policy, and he was in danger at the last general election of losing his sponsorship as a TGWU MP.

Speaking at a Tribune rally here to-night on the eve of the opening of the annual Trades Union Congress, Mr. Jones said it did not appear that Lord *George-Brown* believed in accepting democratic decisions.

"Apparently he is the only one that the Labour Committee for Europe could produce to lead their campaign," Mr. Jones declared.

Mr. Jones blamed the Government's pro-Market "obsession" for the country's rising prices and unemployment. He named the Chancellor of the Exchequer as the "guilty man" responsible for the massive unemployment, because Mr. Barber had allowed months of "irrelevant Tory policy and downright complacency" to come to an end only when "fear of political disaster" caused the Government too late to reverse its policy with purchase tax cuts.

Now the TUC would strengthen the anti-Market campaign and open a "two-month crusade" aimed at defeating "the pawns of Market mania and small political and financial cliques." This campaign would answer those who thought, because of newspapers' pro-Market propaganda and the Government's "misuse of public funds to bolster their campaign," that those against Britain's entry had weakened during the holiday season.

Labour states case on entry

BY PHILIP RAWSTORNE

LABOUR'S national executive committee claims in a document published to-day that it is "neither anti-Common Market nor, even less, anti-Europe."

The committee says, in a 13,000-word background paper for delegates to the party conference *next month, that its* decision to oppose entry into the EEC is based solely on its dissatisfaction with the Government terms and domestic policies.

"*Our attitude to entry* has always hinged on the terms. In this, we have been entirely consistent," the paper says. "The applications was ours; for the negotiations, Mr. Heath and Mr. Rippon must take full responsibility."

Though the paper is not a policy document, this definition of the NEC's position indicates strong backing for Mr. Wilson's aim of avoiding a commitment on any future Labour Government to withdraw from the EEC if Britain becomes a member.

Some Labour anti-Marketeers will persist in an attempt to enforce a withdrawal policy at the party conference but there was no dispute among NEC members about the contents of the pamphlet, written by Mr. Terry Pitt, Transport House research secretary and an ardent anti-Marketeer.

The NEC clearly sees its task as that of concentrating the party's anti-Market campaign on the Government

The paper says: "We deplore the fact that two crucial aspects of European entry—value added tax and the common agricultural policy—have been accepted without negotiation.

"We condemn the failure of the White Paper to project a cost of the terms to the British balance of payments. We demand further information on regional policy, VAT, capital movements, coal and steel and private sterling balances," it says.

But, in addition to the unsatisfactory terms, the document adds: "The Tories have so weakened and divided the nation that we have no confidence in their ability to lead us into the European communities."

"Misleading"

Even with satisfactory terms, entry into the EEC would need "*compassionate and wide* ranging policies" to protect the poorest sections of society and the poorer regions of the country from the impact of inevitable *changes*

"It is clear from the shabby history of this Government so far, that it will not put protection of the poor high on its list *of priorities.*"

The document says that the Government's White Paper is "misleading and evasive" about the effect of VAT and higher *food prices on the cost of living*, about the consequences for regional policies; and about the impact of entry on the balance of payments and foreign invest*ment.*

The optimism of the White Paper about the prospects for economic growth after entry is not supported by evidence the document claims. "It hardly induces credibility to say that because the CBI is in favour of entry, then it must be right for Britain as a whole."

The pamphlet declares: "If our annual conference opposes the terms and the two great parties are divided on the issue, we demand that the matter be subject to the will of the electorate through an immediate general election."

CBI report will back EEC entry, page 4

Maxwell stands down from Pergamon Board

BY KENNETH GOODING

MR. ROBERT MAXWELL will not be standing for re-election as a director of Pergamon Press when the annual meeting is held later this month.

He last night confirmed rumours that he was to stand down, but added: "I'm afraid I can't comment on this subject *at the moment*. You will have to wait for the annual report, which will be sent out during the course of this week."

Mr. Maxwell, voted off the Board of Pergamon, which he founded and of which he was chief executive, during the long drawn-out battle with the U.S. group, Leasco, was co-opted back again by the new Board only last April.

Since then, he has been criticised in a report by Department of Trade inspectors over the operations of International Learnings Systems Corporation, a one-time Pergamon associate company.

Mr. Maxwell, with others, has *started legal proceedings to have* this report set aside.

One suggestion yesterday was that he would stand down at Pergamon to avoid controversy on this issue.

Pergamon has a board meeting to-day to confirm that the annual report can go out, and the annual meeting is now set for September 30.

Continued from Page 1

Lloyd's profit

included few major casualties and no great catastrophes. "Taking those factors into account underwriters did not consider the profit margin great enough."

The 1969 account—with one year still to go—showed a further significant increase in premium income but the result must be looked at against the background of various factors, including major hurricanes in the Gulf of Mexico, large losses involving supertankers and sharp rises in repair costs

In the aviation sector, Mr. C. D. D. Gilmour, chairman of Lloyd's Aviation Underwriters' Association, said the 1968 account showed a final profit of £3,399,173—6.46 per cent. It was a considerable improvement on the 1965, 1966 and 1967 three-year accounts. He believed that, because of the good safety record of the "jumbo-jet" airliners that British insurance market premiums would be reduced soon in line with the lower rates introduced *recently* by *American* insurance companies.

With the insurance industry now much more geared to a reasonable return on risk and a return to profitability most sectors within Lloyd's expect greater competition for premium income within the next few years. But Mr. Chester suggested that "the capacity problem would hold in check the worst elements of competition."

Weather

U.K. TO-DAY

A ridge of high pressure, an anticyclone over the Countries will extend west across the British Isles. parts of England, Wales and Ireland will have some ... *fog at first, but this will* give a mostly dry, warm sunny day. Scotland ... mostly dry and warm after mist, but there may be ... rain in the extreme N. ...

London; E. Anglia; Mid ... S.E.; Cent. S.; E. Cent. ...

N.W. England; Channel ... Early mist or fog, clearing becoming sunny. Wind light Max 23C (73F).

S.W. England; S. Wales ... Hill and coastal fog ... and becoming sunny. Max ... (70F).

N. Wales; Lakes; I. of Man ... Ireland; S.W. Scotland; Gl... Argyll

Dry with sunny periods. mist and fog at first. Southerly light. Max 20C ... N.E. England; Borders; Edi... Dry and mainly sunny, mist or fog at first. Max ... (68F).

N.E. Scotland; Cent. High... Dry with sunny spells, mainly S.W. light. Max 20C ...

Caithness; N.W. Scotland; ... Shetland

Rather cloudy. Perhaps ... sional rain. Max 16C (61F)

Outlook: Mostly dry and ... but N. Ireland and N.W. S... will have some rain or dr...

BUSINESS CENTRE

	Y'day Mid-day	°C	°F	
Amstrdm.	F	18	64	Manchstr.
Bahrain	S	35	95	Melbourne
Beirut	S	29	84	Mexico C.
Belfast	F	19	66	Milan
Belgrade	S	25	77	Montreal
Berlin	F	17	63	Moscow
Birmgh.	S	19	66	Munich
Bristol	S	21	70	Newcastle
Brussels	S	19	66	New York
Budapest	F	26	79	Oslo
B. Aires	C	16	61	Paris
Cairo	S	32	90	Prague
Cardiff	S	19	66	Reykjavik
Cologne	F	19	66	Rio de J'o
Copnhgn.	C	15	59	Rome
Dublin	S	17	63	Singapore
Edinb'rgh.	C	19	66	Stockholm
Frankfurt	F	20	68	Strasbourg
Geneva	S	22	72	Sydney
Glasgow	F	17	63	Tehran
Helsinki	F	16	61	Tel Aviv
H. Kong	S	31	88	Tokyo
Jo'burg	S	21	70	Toronto
Lisbon	F	23	73	Vienna
London	S	21	70	Warsaw
Luxembrg.	S	19	66	Zurich
Madrid	S	28	82	

HOLIDAY RESORT

	Y'day Mid-day	°C	°F	
Ajaccio	S	27	81	Istanbul
Alxndria	S	30	86	Jersey
Algiers	S	27	81	Las Plms.
Athens	S	29	84	Locarno
Barcelona	S	26	79	Luxor
Biarritz	S	28	82	Majorca
Blackpool	S	19	66	Malaga
Bordeaux	S	27	81	Malta
Boulogne	S	20	68	Nairobi
Casablnca.	C	24	75	Naples
Cape Tn.	R	13	55	Nice
Corfu	F	30	86	Nicosia
Dubrovnik	S	28	82	Oporto
Faro	F	25	77	Rhodes
Florence	S	30	86	Salzburg
Funchal	C	22	72	St. Moritz
Gibraltar	S	26	79	Tangier
Guernsey	S	20	68	Tenerife
Innsbruck	S	23	73	Tunis
Inverness	C	18	64	Valencia
I. of Man	S	17	63	Venice

F—Fair. S—Sunny. C—Cloudy.